

## F-14 Would Have Presented Minor Threat to U.S. Cruiser

By Richard Halloran  
*New York Times Service*  
WASHINGTON — The Iranian F-14 fighter that the U.S. cruiser Vincennes thought it had detected on Sunday would have posed a limited threat to the ship, aerospace industry and military officials said Wednesday.

The Vincennes shot down an Iran Air A-300B Airbus over the Gulf, killing all 290 persons aboard, after the ship's captain concluded that the aircraft's identification signals were those of an F-14 on its way in attack.

At the same time, some U.S. Navy officers said they had not

ruled out the possibility that an Iranian F-14 fighter was flying near the aircraft.

Both assessments differed from earlier statements by senior officials of the Defense Department. J. Daniel Howard, the chief spokesman for the Pentagon, said Wednesday that an Iranian F-14 could have threatened American ships with anti-ship missiles capable of causing more damage than the weapons the plane normally carries.

Since Sunday, officials have said



Striking workers protesting Wednesday at the Belgrade legislature. One carries a picture of Tito.

## Soviet Forces And Armenians Clash, 36 Hurt

*United Press International*  
MOSCOW — Soviet troops backed by armored personnel carriers clashed this week with Armenian demonstrators occupying Yerevan airport, the Soviet Foreign Ministry said Wednesday, leaving at least 36 people injured in the Armenian capital.

Vadim Perfiliev, a Foreign Ministry spokesman, said at a news conference in Moscow that the troops reacted after 1,900 demonstrators refused orders to disperse and instead began hurling rocks and bottles at them. The clash took place Tuesday.

Journalists working for government newspapers in Yerevan put the number of injured as high as 70, and one said a 22-year-old Armenian youth was shot during the clashes. Mr. Perfiliev said that no one was killed in the airport clash.

Sources said that the use of non-Armenian troops to end the airport takeover may indicate that Moscow is losing patience with the nationalists who have been leading strikes and protests since February over the Nagorno Karabakh issue, and is prepared to reassert its control in Armenia.

The journalists said that Yerevan, a city of 1.1 million people, was struggling with a general strike that entered its third day Wednesday. The airport incident triggered another mass protest in the town's Opera Square.

"All factories, public transportation, and most things except food shops and hospitals are closed," a senior journalist for the Armenian Communist newspaper, the official organ of the party, said in a telephone interview.

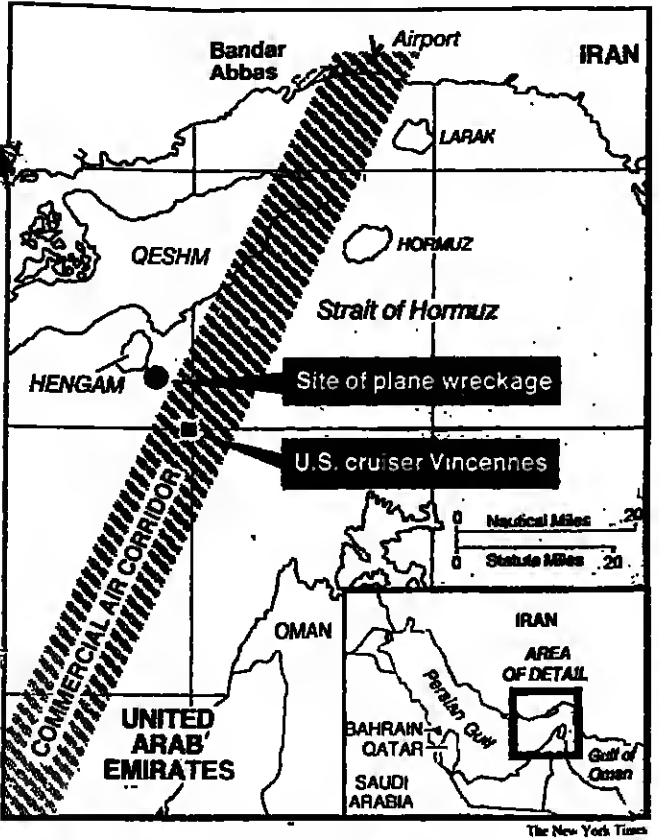
The demonstrators were demanding the return of the Nagorno Karabakh Autonomous Region, administered by the neighboring Azerbaijan republic since 1923, to Armenian control.

About 80 percent of the 165,000 who live in Nagorno Karabakh are ethnic Armenians who resent rule by the mostly Muslim Azeris.

He said the protesters took over the airport Monday and occupied it until late Tuesday when the troops moved in.

Counterprotests in Azerbaijan led to an anti-Armenian backlash and riots that left 26 Armenians dead in the Azeri town of Sumgait in late February.

The latest round of protests in Yerevan appears to have been caused by a deepening sense of frustration over Moscow's failure to resolve the dispute. The 19th Communist Party conference that ended in Moscow last week made only general recommendations on ethnic issues and did not touch the Nagorno Karabakh region in particular.



He asserted that the crew of the Vincennes "had identified this aircraft as an F-14. They had to assume that it was a direct threat to them, whatever mode and whatever type of ordinance it was carrying."

U.S. Says Error Is Possible  
*Stephen Engelberg of The New York Times reported earlier from Washington.*

Military briefers reportedly have acknowledged to congressional leaders that there is a chance that the Vincennes picked up a military signal from elsewhere in the Gulf and mistakenly attributed it to the Iranian jetliner it was tracking on its radar screens before the plane was shot down.

The navy briefers' alleged remarks appeared in an article in a trade journal, but they were at variance with comments made by Mr. Howard, who said the ship shot down the jetliner after it was detected emitting both military and civilian identification signals.

Earlier reports indicated the signals led the ship's crew to believe it was tracking the military plane.

But Representative Les Aspin, Democrat of Wisconsin and chairman of the House Armed Services Committee, said after a briefing late Tuesday that Pentagon offi-

## Anti-Government Protesters Occupy Belgrade Legislature

*The Associated Press*  
BELGRADE — Several thousand workers from Yugoslavia's largest rubber and shoe plant forced their way inside the federal parliament building Wednesday after holding anti-government demonstrations in central Belgrade.

In the first such action in Yugoslavia since World War II, about 4,000 demonstrators clashed with security policemen in front of the parliament building, but the policemen were unable to stop the protesters from entering.

They filled the halls of the domed building, demanding negotiations with government officials and chanting slogans calling for changes in the leadership.

The demonstrators demanded the resignation of Nenad Krkic, the Yugoslav finance minister, who was the director of the factory two years ago and whom they hold responsible for the condition of the installation. The factory is in a financial crisis and has been unable to pay full wages for June.

Witnesses told Reuters that at least one policeman was injured during the incident, but relative calm was restored after the workers held a meeting with senior officials and left the building.

The 5,000 demonstrators, representing 10,000 strikers at the plant, traveled on foot and by bus from Borovo, a central Yugoslav town about 100 kilometers (60 miles) west of Belgrade. They began arriving in the capital during the night.

They came to the capital to press demands for a 100-percent pay increase and changes in the government's latest austerity program.

At least 10,000 workers at the plant, which employs 23,000 people, went on strike Saturday in what is believed to be one of the largest work stoppages since the war in the Communist nation.

It is the latest in a series of protests in different parts of Yugoslavia by workers airing their grievances after the government introduced an austerity program in May that raised prices substantially and lowered wages.

The demonstrators in Belgrade were met early Wednesday morning in a trade union building by a government delegation that included Zvonimir Hrabar, the state trade union president, and Spaseko Medenica, vice president of the federal parliament.

In addition to the 100-percent pay increase, the workers are demanding a 30-percent reduction in administrative employees, better working conditions and full rather than partial payment of wages for June.

The demonstration in Belgrade's city center came after the negotiations with the government officials.

Hundreds of uniformed policemen kept the demonstrators away from passers-by.

The protesters carried Communist Party and Yugoslav flags.

## Insider Scandal Strikes Japan

By Margaret Shapiro  
*Washington Post Service*  
TOKYO — The president of Japan's biggest financial newspaper, Nihon Keizai Shimbun, resigned on Wednesday over an insider trading scandal that has touched several of the nation's political leaders, including former Prime Minister Yasuhiro Nakasone and three contenders for prime minister.

The resignation of the executive, Ko Morita, followed by hours a report in the national newspaper, Asahi Shimbun, that aides to several Japanese political leaders had

bought shares in a real estate company before it went public and sold them when the company went public two years later at a "substantial" profit.

According to the report, those involved included political aides to Mr. Nakasone, Finance Minister Kiichi Miyazawa and Shintaro Abe, a leader of Japan's governing Liberal Democratic Party.

Earlier reports had alleged that aides and relatives of a score of politicians, including another Liberal Democratic Party leader, Michio Watanabe, and former ministers of agriculture, education and defense, were also involved in the buying and selling of shares of the Recruit Cosmos Co.

Japan is known for its loosely regulated stock market and a political world closely tied to big business. But even by these standards, the allegations were startling.

It was not immediately clear what role Mr. Morita played in the affair. But a spokesman for the Nihon Keizai Shimbun group said at a news conference that while the trading done by Mr. Morita in the shares of Recruit Cosmos was not strictly illegal, it did pose ethical problems.

President Morita wants to regard this case as a moral problem, and wants to take the responsibility in order to prevent his personal

Mr. Perfiliev said the protesters had occupied terminal buildings and runways, disrupting services.

"The people who were evicted from the building of the airport behaved in disorderly fashion," he said, "throwing bottles and rocks at law enforcement officers. As a result, 36 persons had to seek medical assistance."

The Communist journalist said a youth had been killed. Speaking on the condition that he not be identified, he said that between 50 and 70 people were injured when the troops resorted to force to reopen the airport.

Mr. Perfiliev termed the death report "groundless," but he did acknowledge that a person died from an act of "hooliganism" in a nearby town. He said it was unconnected with the ethnic violence or the airport demonstration.

Pravda, the Communist Party newspaper, said only that "measures were taken to restore the normal operations of the air service" but gave no further details.

A reporter for the Yerevan-based Armenian language newspaper Sovetskaya Armenia said that up to 70 people had been injured in the airport clash.

He said young Armenians broke windows and hurled rocks at the troops, which perhaps provoked the response.

"These are not militiamen involved in this operation," the reporter for Sovetskaya Armenia said. "These are all-uniform troops that were flown in from outside Armenia in the past few days."

He said the entire mood of the protests, which have gone on sporadically since February in Yerevan, have become more serious because of the presence of non-Armenian troops.

Pravda said a large column of



## Kiosk

### GAF Indicted In Stock Probe

NEW YORK (AP) — A U.S. grand jury indicted GAF Corp., two of its subsidiaries and its chief administrative officer Wednesday for the alleged manipulation of the price of Union Carbide Corp. common stock in 1986.

GAF made an unsuccessful hostile takeover bid for Union Carbide in 1985 and held out the threat of another attempt until it sold much of its stake in late 1986.



Each sleeping cubicle on the new U.S. space station has a computer. Page 8.

### General News

Airbus flight recorders were seized by a French court in investigating the June air show crash. Page 2.

### Business/Finance

MTM Entertainment, founded by Mary Tyler Moore, agreed to be acquired by Britain's Television South. Page 9.

Dow Jones	The Dollar
28.45	1.8196
DM	1.7175
Yen	133.25
FF	6.1275

## Just How Wealthy Is Dukakis?

By Richard L. Berke  
*New York Times Service*  
BOSTON — Michael S. Dukakis cuts his grass with a simple hand-powered lawn mower, probably the only one left on Perry Street in Brookline.

He rarely uses credit cards, and he pays the bill immediately when he does. He owns no money and buys generic grocery products.

To neighbors, it appears that his ideas of household indulgences are a 1963 Sears snow blower and a recent cave-in to demands of his family: subscribing in cable television.

Twenty-six years after he first won elective office as a state representative, the prospective Democratic presidential nominee lives comfortably but not extravagantly.

He has made hardly any investments. The last time he took a financial risk was 25 years ago, when he bought the Brookline apartment building where he lived at the time.

But Mr. Dukakis is more affluent than his personal financial hab-

its would suggest. According to tax returns, financial disclosure reports and other documents he has made public over the years, he has a net worth of about \$300,000, including his house and investments.

Beyond that, he stands to inherit about \$1 million in family trusts left by his father, Panos, a family doctor who died in 1974. Vice President George Bush, Mr. Dukakis' expected Republican opponent, has a net worth of about \$2 million. He inherited \$140,000 on the death of his father, while his mother, who is still alive, inherited most of the \$3.5 million estate.

Neither is fabulously wealthy, and neither has had to struggle to make ends meet. But their wealth figures in the campaign, because of what Mr. Bush's aides contend is a misperception that the vice president, who was reared in affluence in New England and later was in the oil business in Texas, is far wealthier than Mr. Dukakis.

Mr. Dukakis plays on this perception. He encourages talk of his

parsonage; the image meshes with his campaign message that the country needs a president who is a manager, who can balance budgets.

His campaigning reflects this message. Before his campaign reached the point of chartering planes, he was careful to tally mileage as a frequent flier on commercial flights. When his staff began having fancy buffets delivered to his hotel suites on the road, he halted the practice.

And the message gets under the skin of the Bush campaign. "Bush worked like a dog for his money," said Lee Atwater, the vice president's campaign manager. "The reason Dukakis doesn't care much about money is he didn't work for it. He inherited it."

Mr. Dukakis is indeed a direct beneficiary of \$1 million out of a total of \$2 million held in two trust funds set up on the death of his father, the first Greek immigrant to graduate from Harvard Medical



Governor Michael S. Dukakis talking politics in Boston.

## The Meese Resignation: Relief For Republicans

By Lou Cannon and Bill McAllister  
*Washington Post Service*  
WASHINGTON — The surprise resignation of Attorney General Edwin Meese 3d removed a major political liability for the Reagan administration and Vice President George Bush's presidential campaign, friends of the president and Republican political sources said Tuesday.

Mr. Meese announced Tuesday that he would leave office in the next few weeks. He said that he had remained in his post because he refused to be "bounced out of office by false accusations." Earlier in the day, an independent counsel investigating Mr. Meese concluded a 14-month investigation without bringing criminal charges.

Mr. Meese's resignation signals the departure of the last major controversial figure in an administration that has been largely reorganized in the twilight of the Reagan presidency. Reflecting his long association with Mr. Meese, Mr. Reagan was more adamant in defending the attorney general than any other appointee accused of unethical conduct.

Edward J. Rollins, a former White House political director,

said the resignation is "good for Bush" because it makes the ethics issues raised about Mr. Meese "a historical issue rather than a day-to-day issue."

Stuart K. Spencer, a longtime Reagan adviser, said in California, "Meese's resignation takes the issue off the table. Of course, it's good for Bush."

White House officials, speaking on condition of anonymity, said the resignation also could prove helpful to President Ronald Reagan. In public appearances during his last year in office, the president has been dogged with questions about Mr. Meese, the "sleaze factor" and various ethical issues.

"It enables us to look forward," said an official. "It gives us a chance to appoint a 'Mr. Clean' or 'Mrs. Clean.'"

Governor Michael S. Dukakis of Massachusetts, the prospective Democratic presidential nominee, said in Boston that Mr. Meese's resignation was "long overdue" but that, "by itself, it is not going to solve this administration's problems with ethics in government."

The Reverend Jesse L. Jackson, also a candidate for the Democratic nomination, said in New York

## After a Long Darkness, Ugandans Begin to Hope

By Mary Battista  
*Washington Post Service*  
NAKASEKE, Uganda — When Abdullah Mwangi, 5, scampers barefoot across his father's cassava fields, he keeps his eyes on the furrows for human bones.

When he finds them, as he often does, he picks them up and puts them in a pile. Then he waits for the government man from Kampala who scoops them into a black plastic bag and pats his head for a job well done.

Abdullah is too young to understand how mud-stained skulls and fractured femurs wound up on the family farm, and why they now are being stacked like coconuts in labeled sacks and hauled away.

For his parents, however, and tens of thousands of others in the fertile, coffee-growing region known as the Luwero Triangle, the black plastic bags offer a small but precious reason for hope.

The government's decision to collect the remains of the estimated 300,000 civilians killed here between 1983 and 1985 by the troops of the president then, Milton Obote, is a sign that Uganda is taking the first steps out of its long dark age.

It has been a slow dawn. Two and a half years ago, the guerrilla army of Yoweri Museveni marched into Kampala, hailed by many as the best hope for the battered country.

The mustachioed Mr. Museveni, who is about 43, had spent the previous five years in the bush forming his rebel army.

Taking power in early 1986, he promised that his government would bring an end to the 15 years of terror and bloodshed inflicted by presidents Obote and Idi Amin.

In its efforts to subdue opposition forces in the north and east, however, Mr. Museveni's National Resistance Army,

Human rights groups have credited the government with disciplining soldiers who commit crimes against civilians. Uganda has agreed to allow the International Committee of the Red Cross to visit military detention centers where torture is alleged to have taken place.

Mr. Museveni has moved forward on economic reform as well, earning his government \$320 million in aid pledges from Western donors. This month, the government is expected to announce a reform package, worked out with the World Bank and Western donors, that is intended to prime the pump for even more assistance next year.

Observers say the hardest part — figuring out how and when to divide political power among the country's competing ethnic groups — is yet to come, but in the impoverished capital, the novelty of peace has induced a faint but discernible euphoria.

Christopher Sembajwe, a 47-year-old Ugandan businessman who returned to Kampala late last year after 13 years of exile in Kenya, is running a garage to make ends meet while he negotiates to recover the Wimpy restaurant franchise taken from him, and subsequently run into the ground, by Amin cronies in 1971.

"Now you have seen for yourself how Uganda is," he said proudly, showing a visitor the morning crush of minibuses

The details of testimony at public hearings on atrocities committed by the Amin and Obote regimes often reduce officials to tears.

swollen with new recruits, committed atrocities of its own, albeit on a much smaller scale.

The fighting also devastated the northern half of the country and stalled economic recovery.

By early this year, the ethnic and regional hostilities that have hobbled Uganda since independence from Britain in 1962 seemed on the verge of falling it once again.

In June, however, Mr. Museveni restored momentum by signing a peace agreement with the last of his significant rebel opponents.

## 5 Palestinians Sentenced to Hang For Pan Am Hijacking in Karachi

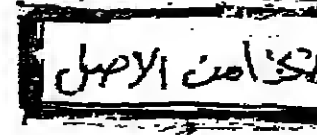
*The Associated Press*  
ADIYALA, Pakistan — Five Palestinians were convicted Wednesday and sentenced to hang for the 1986 hijacking of a New York-bound Pan Am jumbo jet in which 21 people were killed.

The trial before a special one-judge tribunal was held in a makeshift courtroom in a prison in this town 30 miles (50 kilometers) west of Islamabad. It began in September.

The flight originated in Bombay and the plane was seized on the ground Sept. 5, 1986, in Karachi. It was on the tarmac for 17 hours before a fusillade ended the ordeal.

"We don't care about the sentence," said Salman Taraki, the suspected planner. "We care only about the millions of Arabs and Islamic countries."

In a statement issued in January, the five said their aim "was to fly the plane toward some sensitive, strategic center of the Zionist enemy and to blow it there, with us inside."





# U.S. Team Begins Vincennes Inquiry

**Compiled by Our Staff From Dispatches**

**MANAMA, Bahrain** — A U.S. inquiry into the destruction of an Iranian airliner by the U.S. cruiser Vincennes opened Wednesday with investigators interviewing the commander and senior officers of the guided missile warship, military sources said.

Under a 15-day deadline and an official news blackout, the six-member team of experts went to work hours after arriving in the Gulf late Tuesday.

The group, headed by Rear Admiral William M. Fogarty, a senior staff officer at U.S. Central Command headquarters in Tampa, Florida, includes a military lawyer and technical experts who will analyze computer tapes, communications records and other data.

At the United Nations, the Security Council agreed to take up on Tuesday the complaint by Iran against the United States over the downing of the plane, in which all 290 persons aboard were killed, delegates said Wednesday.

Diplomats said that Iran had not pressed for an earlier meeting, because a delay until next week would allow Foreign Minister Ali Akbar Velayati to attend.

In taking the case to the council, Mohammed Khatami, Iran's permanent representative to the United Nations, said the United States should apologize to Iran and immediately begin to withdraw its forces from the Gulf.

Iran claims that the Vincennes, one of the U.S. Navy's newest and most sophisticated warships, knew that the plane it shot down over the Strait of Hormuz on Sunday was an Iran Air A-300B Airbus passenger jet.

(AP, Reuters)

# Israel Agents Accused of Posing as TV Cameramen

By Glenn Frankel

**JERUSALEM** — ABC News has accused agents of Israel's Shin Bet security service of posing as an ABC camera crew in order to arrest a suspected Palestinian firebomber in the latest conflict between the press and Israeli authorities during the seven-month Arab uprising.

Rumors and undocumented reports of security forces and Jewish settlers impersonating foreign journalists have been rampant in the occupied West Bank and Gaza Strip for months. But the ABC allegation is the first time a news organization has made a formal accusation and protest about such practices.

The Israeli agents allegedly arrived at the West Bank village of Salfit two weeks ago, identified themselves as ABC cameramen and asked for the suspect, Nizar Dakdouk, 18, according to ABC. They reportedly said they wanted to film Mr. Dakdouk outside the remains of his family's house, which was demolished by the army a few days earlier because of his alleged involvement in firebombing a bus.

Mr. Dakdouk went off with the men and never returned, and ABC said military authorities confirmed he was being held at the Farah military prison in the West Bank.

The army has destroyed at least 40 buses of suspects so far this year. In most instances the demolitions are carried out before they are tried or convicted, and in Mr. Dakdouk's case, even before he was arrested.

ABC broadcast a two-minute clip on the alleged hoax Tuesday night. The president of ABC News, Roone Arledge, followed it up with a letter to Prime Minister Yitzhak Shamir's office expressing "deep distress" over the incident and demanding an investigation.

Mr. Shamir's media adviser, Avi Pazner, said the government would investigate it. An official at the Foreign Ministry said complaints had been raised "many times" during the uprising and "we got assurances at the highest level of the security forces that such a thing does not occur."

Most of the camera crews working in the West Bank and Gaza consist of Israeli citizens employed as free-lancers by the networks and ABC correspondent Dean Reynolds said their safety would be jeopardized if Arab villagers suspected them of being Shin Bet agents.

"Our crews have been frequently attacked or stoned in many cases, principally in Gaza, and when you risk about it, Palestinians say 'well, the Shin Bet is doing the same thing you are,'" he said.

Israel has accused camera crews of inciting violence and, in some cases, even staging incidents, charges the networks have denied.



The French judge Germain Sengelin, left, with glasses, talking with officials during a visit Wednesday to the wreckage of the Airbus A-320 that crashed on June 26 while on a demonstration flight.

# JET: Minor Threat to U.S. Cruiser

(Continued from page 1)

Officials were not certain whether both signals had come from the civilian aircraft. The officials acknowledged under questioning that it was also possible the military signal had come from a separate airplane.

In another apparent discrepancy between the Pentagon's original version of events and its statements on Capitol Hill, Mr. Aspin said he had been told that the plane had been roughly within the accepted civilian air corridor for the flight from Bandar Abbas to Dubai.

The plane, Mr. Aspin said, had strayed to the west side of the corridor, four miles (6.5 kilometers) from the center of the path. It then moved back toward the center of the path in a maneuver that put it on a direct heading toward the Vincennes.

According to a public briefing Tuesday by Mr. Howard, the jetliner was recorded by the Vincennes as giving off identifying signals associated with Iranian F-14 fighter aircraft in addition to those of a civilian plane could emit.

Admiral William J. Crowe Jr., chairman of the Joint Chiefs of Staff, said Sunday that the Vincennes had unspecified electronic evidence that suggested the airliner was an F-14 fighter aircraft. The evidence was the military signals.

Neither Mr. Howard nor other Pentagon officials offered an explanation of why a civilian airliner would broadcast the type of signals reserved for military traffic on its transponder, a device that, when struck by radar, sends back to the radar's source an amplified signal that serves to identify the aircraft.

According to Mr. Howard, when the Vincennes's radar picked up the jetliner, the plane's transponder appeared to send two different types of responses. One was compatible with normal commercial aviation; the other was one that could be sent only by a device encoded for military use.

The presence of the two signals raises the possibility that an Iranian fighter aircraft was near the civilian plane at the time the Vincennes fired two missiles. But Mr. Howard said the Pentagon continued to believe that only one aircraft was involved in the incident.

# Paris Court Seizes Airbus Recorders In Investigation of Air Show Crash

By Joseph Fitchett

**PARIS** — A court has impounded the flight recorders of an A-320 Airbus that crashed last month.

The seizure late Tuesday came after accusations that government aviation officials had leaked black-box data to protect the reputation of the aircraft, the newest model produced by the government-subsidized Airbus Industrie.

Judge Germain Sengelin said that he was "dismayed that civil aviation officials had been decoding the flight record without any judicial oversight and guarantees."

The head of the main French pilots union, Alain Duclos, said that he was "gratified that the courts have intervened, although belatedly, to ensure an impartial investigation."

"We're not accusing the plane," he said, "but we're worried that full public blame might be put unfairly on the pilot." This, he said, would divert attention from possible design flaws or mechanical failures.

The reputation of the new airplane, the A-320, seems unlikely to suffer, independent industry sources said. They confirmed that they had been privately briefed by French sources on the contents of the black box.

They said that any suggestion of a government cover-up was unrealistic.

But other sources said that French civil aviation officials — who have administrative links with Airbus — could have created an impression of impropriety by leaking analyses of the digital flight recorder tracing the performance of the aircraft and saying publicly that the aircraft was not at fault.

Mr. Sengelin sealed the civil aviation analyses of the recordings and ordered independent experts to review the black-box data.

Mr. Sengelin, 50, who in the past has been an advocate of greater independence for the French judiciary, took charge of the case late last week as a vacation replacement for the judge initially assigned to it.

The crash occurred at an air show on June 26 near Mulhouse in eastern France when an Air France Airbus, with a senior pilot at the controls, failed to pull out of a low and slow fly-by and crashed into trees at the end of the runway. Three people died, but the crew rescued 127 passengers from the burning plane.

The inquiry must answer several sensitive and technically complex questions. Among them:

- Did the airplane's computer-processor controls — known as "fly-by-wire" technology, proven in military aircraft and now becoming standard in commercial aircraft — help cause the crash?
- Who authorized the Air France plane, carrying passengers, to fly at an altitude generally considered dangerously too low at most air shows?
- Were adequate rescue services on hand?
- Did burning plastic cabin fittings give off toxic fumes that affected the lungs of the crew and passengers?

An unusual feature of the investigation is the fact of the crew's survival.

"It's rare in major accidents for the pilot to be on hand to defend himself," Mr. Duclos said. Mr. Sengelin confirmed that judicial inquiries in France usually start up only after the civil aviation investigation is complete.

The emergence of a separate judicial investigation alongside the Transport Ministry's inquiry, Mr. Duclos said, "gives us confidence that the final conclusions — whatever they are, including pilot error — will be impartial and therefore acceptable."

Mr. Sengelin has launched an investigation of the emergency services' performance and also brought the Air and Frontier Police into the inquiry, along with the air-transport police unit originally assigned to the case.

The new unit, like Mr. Sengelin, reports to the Interior Ministry, while the air-transport police work under the Transport Ministry, which oversees both Air France and Aero-space, the state-owned aerospace manufacturer that helps build Airbus.

"How can subcontractors investigate their own superiors?" Mr. Sengelin asked.

# Wörner Sure of Arms Pact Proposals

**OSLO (Reuters)** — Secretary-General Manfred Wörner of NATO said Wednesday that he was almost certain the Western alliance would complete proposals by the end of this year on a treaty with the Warsaw Pact to cut conventional arms.

"The alliance is preparing important proposals," he said while on a visit to Oslo. "Hopefully, we will have a mandate before year end — I'm nearly certain of it. Then we hope the Warsaw Pact will remove any obstacles to negotiations."

Mr. Wörner, who took over as head of the North Atlantic Treaty Organization from Lord Carrington of Britain last week, said the alliance must put across a more convincing picture of its policies. "It is imperative that we in the West retain the initiative," he said.

# 6 Die From Heat in Southern Europe

**BELGRADE (Reuters)** — At least six persons have died from the effects of a heat wave sweeping southern Europe, and weather forecasters expect the high temperatures to last for several more days.

Belgrade officials said Wednesday that five Yugoslavs had died after collapsing in the heat, which reached 40 degrees centigrade (104 Fahrenheit) in the Yugoslav capital. A rise in heart and respiratory problems was also reported.

In Italy, an elderly woman died Tuesday from the effects of the heat in the southern town of Bari, and hospitals said dozens of people had been treated for heat exhaustion. In Athens, more than 300 people suffering from heat-related ailments have been admitted to hospital in the last few days.

# Open Debate Urged by Taiwan Party

**TAIPEI (AP)** — President Lee Teng-hui welcomed delegates Wednesday to a congress of the governing Nationalist Party, or Kuomintang, with a call for open debate.

The 13th party congress, which opens Thursday, is expected to elect a new generation of leaders and determine the pace for more social and political liberalization. The congress is seen as a watershed in Taiwan's political development. Government initiative has virtually halted pending its outcome.

Mr. Lee, 65, acting chairman of the party, which has 2.4 million members, is expected to be elected chairman Friday by the 1,200 delegates to the congress. He has vowed to continue the political and social liberalization begun by the late Chiang Kai-shek, the son of Chiang Kai-shek.

# A Fatal Bombing in a Namibian Shop

**WINDHOEK, South-West Africa (AP)** — One black man was killed and 18 people injured Wednesday when a bomb exploded at a butcher's shop here, the police said.

Two victims were in critical condition and four additional people were seriously injured, a police spokesman said. He said an explosive device estimated at 3 kilograms (6 1/2 pounds) apparently was placed inside a parcel and left in the shop. The shop is in an affluent white area, but most of the victims were black, the spokesman said. No one immediately claimed responsibility for the blast.

The police suspected the guerrillas of the South-West African People's Organization, who have been waging a bombing and sabotage campaign for 21 years in an effort to gain control of South-West Africa, also known as Namibia.

# For the Record

Syrian-backed Palestinian guerrillas loyal to Sayed Musa began a major offensive Wednesday against positions held by forces loyal to Yasser Arafat, chairman of the Palestine Liberation Organization, who were defending Burj al-Brajneh, their last stronghold in Beirut, Palestinian sources said.

There were no immediate reports on casualties. (Reuters)

A gunman shot a Roman Catholic in Droimere, Northern Ireland, from a passing car on Wednesday, then sped after the fleeing man, fired again repeatedly and killed him, the police said. (AP)

# Jet Was on Course, Iranian Insists

**BANDAR ABBAS, Iran** — The Bandar Abbas airport manager said Wednesday that Iran Air Flight 655 was shot down as it climbed steadily on course well within a commercial air corridor used regularly by about 100 scheduled civilian flights.

The Iranian official, Hassan Peyrousi, said initial U.S. statements that the A-300B Airbus was outside its normal flight path were untrue, according to data recorded by a control tower radar at the Bandar Abbas Airport.

After first maintaining the aircraft was four miles (six kilometers) west of its assigned corridor, the Pentagon acknowledged Tuesday the assertion was wrong.

"The situation was quite normal," added Mr. Peyrousi, who said he was in the control tower at the time. "Everything was normal. The aircraft was right on course. He was on the right track."

Mr. Peyrousi spoke to reporters who had come to view stacks of victims' bodies and shattered sections of the aircraft. The bodies and wreckage were recovered from the site, about 30 nautical miles from Bandar Abbas where the plane went down Sunday morning with 290 people aboard after being hit by a standard surface-to-air missile fired from the U.S. cruiser Vincennes.

Iranian officials appeared determined to give the tragedy maximum exposure in U.S. and other Western news media to cast opprobrium on the United States. Reporters were granted visas swiftly and officials planned a large memorial demonstration and funeral Thursday in Tehran.

A few bodies were buried in a ceremony in Bandar Abbas on Wednesday, presided over by Hashemi Rafsanjani, the speaker of the Iranian parliament and the commander of the Iranian Armed Forces. The other bodies were taken from a warehouse and flown to Tehran for the mass funeral services, official said.

# MEESE: Resignation Is Relief to Administration and to Bush Campaign

(Continued from page 1)

that Mr. Meese was "just another chapter in a rising sleaze factor in the Reagan administration."

But there was no attempt in the Bush camp to hide the joy and relief at Mr. Meese's resignation. "Ed did the right thing, and I wish him well," the vice president said in a laconic statement.

Robert Teeter, a Bush strategist, and Peter Telesy, the vice president's former press secretary, were already on record as saying that Mr. Meese was a liability for Mr. Bush's campaign. The former White House chief of staff, Howard H. Baker Jr., who returned to private life last week, had also said publicly that Mr. Meese's legal difficulties were hurting Republican prospects.

While this view was widely shared in Republican circles, there was also widespread recognition that Mr. Reagan strongly backed the attorney general, a longtime aide and friend, and would not ask for his resignation short of an indictment. For this reason, Mr. Baker did not seek Mr. Meese's firing. Kenneth M. Duberstein, the new White House chief of staff, said Tuesday that Mr. Bush also did not exert pressure for Mr. Meese to leave.

Privately, Bush supporters and some officials had been critical of Mr. Meese's refusal to leave in the face of public opinion polls that showed him to be a Republican liability. Tuesday, however, the reaction from Mr. Meese's longtime critics in his party was gratitude that he had taken what one Republican close to the White House called "the last window of opportunity" to leave on his own terms.

Representative Lynn M. Martin, Republican of Illinois, national co-chairwoman of Mr. Bush's campaign, expressed a similar view. "Meese got what he needed, not

# MEESE: Resignation Is Relief to Administration and to Bush Campaign

leaving town under the cloud that he was guilty," Mrs. Martin said. "On the other hand, the question of what are we going to do about Ed Meese certainly isn't going to be asked any more."

Another Republican said Mr. Meese's resignation will "remove a rhetorical flourish in the average Democrat campaign speech and give the vice president more chances to talk about his issues."

Mr. Meese, who supported putting Mr. Bush on the Reagan ticket in 1980, had hinted to friends and White House officials that he did not want to be an issue in the campaign and might leave in the fall.

At the daily morning White House staff meeting on Tuesday, senior officials observed that the report of the independent counsel, James C. McKay, was due to be released. One of these officials said later that "we knew anything could happen."

Mr. Meese called about 4 P.M. as Mr. Reagan was about to depart

# UGANDA: After the Long Years of Darkness, Ugandans Begin to Hope

(Continued from page 1)

ners is at work repairing boulevards to cars. Excerpts are broadcast every Sunday night on Uganda Television, and long excerpts are printed in the nation's newspapers.

Nearly half of Uganda's estimated 15 million citizens are illiterate, and many more have little or no access to the mass news media, so the impact of the testimony is limited.

But prominent Ugandans say the hearings, expected to continue into 1989, are important in restoring

# UGANDA: After the Long Years of Darkness, Ugandans Begin to Hope

Uganda's faith in the rule of law. For all its achievements and promise, however, the Museveni government is still capable of acting arbitrarily. The country's broadly drawn Public Order and Security Act has been used by the government to arrest and detain journalists, editors and human rights activists as well as political and military opponents.

Political parties are still muzzled, and the promised discussion of a new constitution and national elections has been delayed.

The couple had \$44,610 in assorted Individual Retirement Accounts, savings and checking accounts at the Bank of Boston, as of May 24. Of that, \$18,490 was in a joint money market account, and \$6,230 in a checking account with a fixed interest rate of 5 1/2 percent. Mr. Dukakis' IRA accounts were worth \$9,455, while Mrs. Dukakis' account had a balance of \$10,414.

In addition, Mr. Dukakis has \$49,494 in his Massachusetts retirement account; \$31,910 in deposits and \$17,583 in interest.

# WORLD BRIEFS

## Seoul Announces Plan to Broaden Trade and Exchanges With the North

**TOKYO (NYT)** — President Roh Tae Woo, in a speech to a broadcast nationally on Thursday, announced a major change in South Korean policy toward North Korea. He said that he would allow trade, family visits and student exchanges with the North and would encourage other nations to improve relations with North Korea.

It was not clear how North Korea would respond. North Korea has called for political and military talks to include representatives of the government and of opposition parties, an offer Mr. Roh did not extend.

Mr. Roh outlined several departures from the past. He addressed his speech to "my dear 60 million compatriots" in both North and South Korea. Rather than trying to make North Korea a pariah state, Mr. Roh said that South Korea would encourage its allies to improve relations and to trade with the North. He said he would allow representatives of South and North Korea to contact each other at international gatherings.

Echoing student proposals, Mr. Roh called for widespread exchange between South and North Koreans, including politicians, students, businessmen, journalists and athletes. Mr. Roh pledged to improve relations with such socialist nations as China and the Soviet Union, suggesting his speech was also aimed at persuading nations that have relations with North Korea that South Korean foreign policy is changing.

Mr. Roh and other South Korean officials have been hinting at changes in their North Korea policy for several weeks. In early June, the government announced that it would allow public discussion of reunification, would release formerly censored information on North Korea, and it proposed resumption of cabinet-level talks.

## Malaysia Suspends 5 More Justices

**KUALA LUMPUR, Malaysia (NYT)** — The government of Prime Minister Mahathir bin Mohamad suspended five Supreme Court justices Wednesday and ordered them to face a special tribunal that will rule on their permanent removal.

The action grew out of a legal battle about an earlier suspension of the chief justice, on May 26, for alleged "lack of dignity, propriety and impartiality." The acting lord president, Abdul Hamid Omar, said Wednesday that in consultation with Mr. Mahathir he had recommended the suspension of the five justices over their ruling Saturday ordering a tribunal hearing the government's charges against the suspended chief justice, Mohammad Salleh Abbas, to refrain from advising whether to remove him.

The moves to disqualify 6 of the 10 members of the highest court follow constitutional amendments rushed through parliament by the government in March that severely curtail the independence of the judiciary. Observers say it was resentment of the court's role in political matters, typified by a decision last year to declare the ruling party illegal, that led Mr. Mahathir to push through the constitutional changes.

## Wörner Sure of Arms Pact Proposals

**OSLO (Reuters)** — Secretary-General Manfred Wörner of NATO said Wednesday that he was almost certain the Western alliance would complete proposals by the end of this year on a treaty with the Warsaw Pact to cut conventional arms.

"The alliance is preparing important proposals," he said while on a visit to Oslo. "Hopefully, we will have a mandate before year end — I'm nearly certain of it. Then we hope the Warsaw Pact will remove any obstacles to negotiations."

Mr. Wörner, who took over as head of the North Atlantic Treaty Organization from Lord Carrington of Britain last week, said the alliance must put across a more convincing picture of its policies. "It is imperative that we in the West retain the initiative," he said.

## 6 Die From Heat in Southern Europe

**BELGRADE (Reuters)** — At least six persons have died from the effects of a heat wave sweeping southern Europe, and weather forecasters expect the high temperatures to last for several more days.

Belgrade officials said Wednesday that five Yugoslavs had died after collapsing in the heat, which reached 40 degrees centigrade (104 Fahrenheit) in the Yugoslav capital. A rise in heart and respiratory problems was also reported.

In Italy, an elderly woman died Tuesday from the effects of the heat in the southern town of Bari, and hospitals said dozens of people had been treated for heat exhaustion. In Athens, more than 300 people suffering from heat-related ailments have been admitted to hospital in the last few days.

## Open Debate Urged by Taiwan Party

**TAIPEI (AP)** — President Lee Teng-hui welcomed delegates Wednesday to a congress of the governing Nationalist Party, or Kuomintang, with a call for open debate.

The 13th party congress, which opens Thursday, is expected to elect a new generation of leaders and determine the pace for more social and political liberalization. The congress is seen as a watershed in Taiwan's political development. Government initiative has virtually halted pending its outcome.

Mr. Lee, 65, acting chairman of the party, which has 2.4 million members, is expected to be elected chairman Friday by the 1,200 delegates to the congress. He has vowed to continue the political and social liberalization begun by the late Chiang Kai-shek, the son of Chiang Kai-shek.

## A Fatal Bombing in a Namibian Shop

**WINDHOEK, South-West Africa (AP)** — One black man was killed and 18 people injured Wednesday when a bomb exploded at a butcher's shop here, the police said.

Two victims were in critical condition and four additional people were seriously injured, a police spokesman said. He said an explosive device estimated at 3 kilograms (6 1/2 pounds) apparently was placed inside a parcel and left in the shop. The shop is in an affluent white area, but most of the victims were black, the spokesman said. No one immediately claimed responsibility for the blast.

The police suspected the guerrillas of the South-West African People's Organization, who have been waging a bombing and sabotage campaign for 21 years in an effort to gain control of South-West Africa, also known as Namibia.

## For the Record

Syrian-backed Palestinian guerrillas loyal to Sayed Musa began a major offensive Wednesday against positions held by forces loyal to Yasser Arafat, chairman of the Palestine Liberation Organization, who were defending Burj al-Brajneh, their last stronghold in Beirut, Palestinian sources said.

There were no immediate reports on casualties. (Reuters)

A gunman shot a Roman Catholic in Droimere, Northern Ireland, from a passing car on Wednesday, then sped after the fleeing man, fired again repeatedly and killed him, the police said. (AP)

## TRAVEL UPDATE

### Europe Air Congestion May Worsen

**BRUSSELS (Reuters)** — Air traffic congestion, which is already delaying vacationers in Western Europe this summer, will get even worse, the head of Europe's scheduled airline association warned Wednesday.

Karl-Heinz Neumeister, secretary-general of the 21-member Association of European Airlines, said air traffic was being slowed by the division of European skies into more than 40 separate control areas.

He urged the creation of a single traffic control authority and attacked governments for doing little to ease air congestion. He also expressed concern that increasing demands on traffic controllers and pilots could endanger safety, and he backed calls for national air traffic control operations to be sold to the private sector to make them more efficient.

Slightly more than 100 people died in nearly 2,000 accidents on French roads during the first three days of July at the start of the French vacation season, according to official statistics released in Paris on Wednesday. The number of accidents was up by 15 percent from a year earlier, while the number of deaths fell by almost 16 percent. (AFP)

## SOVIET: Clash With Armenians

(Continued from page 1)

people broke away from a demonstration in Opera Square and marched on the airport Monday in an attempt to close it.

"Those taking part in the rallies grossly disrupted order there," Pravda said, in justifying the troop response.

The Armenian Supreme Soviet has voted to ask the national Soviet Supreme Soviet in Moscow to cede control of Nagorno Karabakh to Armenia. The Azeri parliament in Baku has in turn decided to refuse any request to cede the territory, creating a deadlock.

It said troops had by late Wednesday sealed off streets in Yerevan to prevent any further large-scale protests.

It described the atmosphere as "tense."

# FBI Art

By Robert A. Johnson

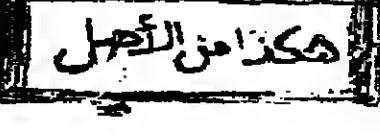
Los Angeles Times

CARMEL, California — I believe the FBI believed that investigating a routine case of a stolen painting was a waste of resources. They debriefed the artist and two agents arriving at the scene. They moved to the showrooms and the artist's home. They searched the artist's home and the artist's car. They searched the artist's car. They searched the artist's car.

# Superpowers Set Military Exchanges

WASHINGTON — The United States and the Soviet Union announced plans Wednesday for military exchanges, including visits by officials and port calls by warships. The new two-way exchange was announced by U.S. Defense Secretary Frank C. Rowland and Soviet Foreign Minister Alexander Gromyko.

Mr. Rowland said the U.S. will send a fleet of two destroyers and a cruiser to the Soviet port of Vladivostok. The Soviet fleet will consist of two destroyers and a cruiser.





هكذا من الأهل

# FBI Art Case: Is It Fraud? Is It Mass Produced? Or Can He Paint It Fast Enough?

By Robert A. Jones  
Los Angeles Times Service

CARMEL, California — In the beginning, the FBI believed that it was investigating a routine case of art theft. One of Carmel's largest art galleries had reported several paintings missing from its walls, and two agents arrived to take a report. They debriefed the staff and then moved to the showroom filled with thundering seascapes and bucolic scenes of French villages.

That is when the surprises began. One of the agents, Richard Lack, noticed that the staff seemed to be joking about some of the very expensive art hanging on the walls. Then an assistant manager began to talk openly. She pointed out the peaceful scenes of French villages by Paul Valère — some priced at \$18,000 — and said that they were not painted by Mr. Valère at all.

As Mr. Lack described the conversation later in court documents, the assistant manager said that most likely Mr. Valère did not even exist. The landscapes actually were painted by teams of artists on an assembly line basis. One would paint the trees, another the chalets, still another the sky. The conver-

sation in the gallery apparently was light-hearted; Mr. Lack said the whole thing was treated as an "inside joke."

The agents were not amused. They checked on Mr. Valère, could find no evidence that he had ever put a brush to canvas, and launched a formal investigation into possible interstate art fraud by Simic Galleries.

FBI investigations are not the normal thing on the streets of Carmel, and the potential of scandal has divided the art crowd into camps, each desiring the other of destroying Carmel's reputation.

Dozens of owners of Paul Valère paintings have called the local district attorney's office wanting to know if they should sue.

Meanwhile, officials at Simic Galleries claim that the whole thing is a case of mistaken identity. The conversation between the agents and the assistant manager really was a joke, they say, albeit an ill-timed one.

Mr. Valère does exist, they contend, and they offer an explanation for the Federal Bureau of Investigation's failure to locate him: Valère is not the artist's real name but a pseudonym.

"We could have told the FBI about the pseudonym if they had asked," said Edward King, a vice president for Simic. "I guess they overthought of that. It wasn't very sophisticated of them."

Mr. King said even he does not know Valère's real name, nor does anyone else at Simic. The artist's identity has been protected by his agent in France, Robert Fruchter, according to gallery executives.

Mr. Fruchter has described the artist as an aging and reclusive man who lives in rural France. Even under the heat of an investigation Mr. Valère has refused to come to the United States because of a lingering heart ailment, Mr. King said. So last month the gallery and Mr. Fruchter arranged for Mr. Valère to paint a demonstration canvas at his studio in the presence of French authorities.

The demonstration took place before a "huissier de justice," a court marshal. Mr. Simic's attorney, Phillip J. Daut, said that the documentation from the test arrived Friday and certifies that an artist identified by Mr. Fruchter as Mr. Valère completed a painting over three days.

This apparently does not satisfy the FBI. The agency has told Mr. Simic and Mr. Fruchter that it wants a painting test of its own to take place in Paris.

Although FBI officials would not discuss the details, others close to the investigation say that the FBI will require the artist to complete the painting in two to three days and will safeguard the canvas each night to assure that no other painter works on it.

The painting will be shipped to the United States where experts will decide if the style matches those of Valère paintings sold at Simic.

Mr. Fruchter, reached by telephone at his office outside Paris, said that the artist is eager to accept the challenge posed by the FBI.

The only condition that Mr. Valère requests, according to Mr. Fruchter, is permission to conduct the painting test at his studio in rural France rather than Paris.

"There will be great stress during this period," Mr. Fruchter said. "So he is asking that he be able to use his own studio where the conditions are familiar."

"You must understand he is not only

being asked to paint but to paint within a certain time frame. He must know how quickly the paint will dry and what the light conditions will be. All these things become very important."

The question of where the painting takes place is still in negotiation.

There is reason for the FBI's continued skepticism.

In its initial investigation, the two agents sought to find the artist by using biographical information contained in a Simic brochure.

The brochure began, "Born in the Loire Valley in 1928, Valère has dedicated his artistic career to painting the antiquated villages and towns most familiar to him."

It went on to describe his education at the Ecole de Beaux-Arts in Tours and his several awards for painting, including the "Medaille d'Or du Salon d'Automne."

According to documents on record in federal court in San Jose, California, the two agents discovered that there was no record of Mr. Valère's attendance at the Ecole de Beaux-Arts, a discrepancy that could be explained by the artist's use of a pseudonym.

In addition, however, the agents found that no one could have won the "Medaille d'Or" because it does not exist.

"The Salon d'Automne does not nor ever has awarded a 'Medaille d'Or,'" said a brief by the U.S. attorney's office, filed in response to an unsuccessful court action by Mr. Simic seeking to limit the investigation.

Mr. Fruchter, who supplied the information for the brochure, concedes that there were some "inaccuracies," including Mr. Valère's birth date. Mr. Fruchter now says Mr. Valère was born in 1923, five years earlier than stated in the brochure.

One of the most intriguing conditions imposed by the FBI on the test painting is the two- to three-day time limit for completing the painting.

Apparently the agency wants to determine if the artist can paint his canvases as fast as Simic Galleries has been selling them.

Simic, which also operates galleries in the California cities of Beverly Hills and La Jolla, has estimated that it sells 90 new Valère paintings a year under an exclusive U.S. sales contract with the

painter. Mr. Fruchter put the number at 100 a year. Assuming that the 65-year-old artist works five days a week and takes a one-month vacation each year, that means Mr. Valère must be capable of cranking out an original oil painting every two and a half days.

If the painter cannot meet the pace in the FBI test, then the agency may wonder if he has some help with production.

At Simic, Mr. King said that he is not worried about Mr. Valère's performance. "When people buy a work of art, they naturally want to believe that the artist slaved for a long period. The truth is that many of our artists can turn out a painting in one day or two," he said.

At Simic Galleries, the Valère paintings sell for prices between \$2,000 and \$18,500. With an average price of \$8,000, Mr. Valère's 100 paintings a year generate a revenue of \$800,000.

And of course, Valère is only one of several dozen artists whose work Simic sells.

The painting test is supposed to take place within two weeks. Meanwhile, Simic continues to offer Valère paintings for sale.

## Superpowers Set Military Exchanges

WASHINGTON — The United States and the Soviet Union announced plans Wednesday for extensive military exchanges, including visits by officials and port calls by warships, in the next two years.

The announcement was made by Marshal Sergei F. Akhromeyev, chief of the general staff of the Soviet Union, and Admiral William J. Crowe Jr., chairman of the U.S. Joint Chiefs of Staff.

Marshal Akhromeyev, 64, was welcomed with a 19-gun salute as he began his visit. He said that no dates or sites had been set yet for port visits and added that lower-ranking commanders, athletes and historians would join the program.

Defense Secretary Frank C. Cavello is scheduled to visit the Soviet Union next month.

Marshal Akhromeyev said that he and Admiral Crowe, 63, had discussed a range of military issues, including the downing of an Iranian airliner in the Gulf after a U.S. cruiser mistook it for an Iranian jet.

The Soviet marshal said he saw no parallel between Sunday's incident and the earlier Soviet downing of a South Korean passenger jet over the eastern Soviet Union, but he added, "We are military professionals and I didn't see fit to offer my advice to Admiral Crowe on this incident."



Admiral William J. Crowe Jr., left, chairman of the U.S. Joint Chiefs of Staff, escorting Marshal Sergei F. Akhromeyev, chief of the general staff of the Soviet Union, in Washington on Wednesday.

## Bush Stresses Conventional Arms Issue

By David Hoffman  
Washington Post Service

WASHINGTON — Vice President George Bush, setting out his priorities for arms control, says he would "goose up the attention" paid to negotiations aimed at reducing the level of conventional forces in Europe.

Mr. Bush also said that he was pessimistic about a quick resolution of the current strategic arms talks with the Soviet Union.

In an interview Tuesday, the prospective Republican presidential nominee suggested that he would take a different approach from President Ronald Reagan, who has made no headway on conventional arms reductions and has focused this year on advancing the strategic weapons talks before he leaves office.

Mr. Bush said that his emphasis on conventional forces would be "very reassuring" to West European leaders, who have expressed concern about further cuts in nuclear weapons without first addressing the large Warsaw Pact advantage in conventional forces.

"That isn't to say I'd call back the negotiators and stop on START," Mr. Bush said, referring to the Strategic Arms Reduction Talks, "but I would certainly think that we'd want to put more emphasis on conventional force reductions."

Mr. Bush appeared to be preparing for the fall campaign against the likely Democratic nominee, Governor Michael S. Dukakis of

Massachusetts, who has called for modernizing conventional forces.

Mr. Dukakis said in an interview published Sunday in the Baltimore Sun that the modernization effort could cost \$3 billion over four or five years.

Discussing the situation in the Gulf, Mr. Bush said that despite the downing of the Iranian airliner, in which 290 persons were reported to have died, he believed that the U.S. presence "should not be deterred."

He said that U.S. military forces must remain in the region at least until the end of the Iran-Iraq war, when the naval presence could be scaled back.

"We will always have a mission in the Gulf," he said. "We always have had, will always continue to have as far as I'm concerned."

While both Mr. Bush and Mr. Dukakis have said the next president should devote more attention to conventional forces, they differ on other arms control issues, particularly on nuclear weapons.

Mr. Bush said that if elected he would "goose up the attention to the conventional force reduction."

"That's what I think is called for," he said.

Another reason, the adviser said, is the unresolved question of how the United States will deploy land-based nuclear missiles such as the MX and Midgetman. The Reagan administration has been struggling to deal with a lengthy controversy over how to base the MX.

Mr. Dukakis has said he opposes both the MX and Midgetman but would leave the door open to a new missile. Mr. Bush said he supports both weapons, but he has not publicly addressed the issue.

Mr. Dukakis also opposes the Strategic Defense Initiative, for an anti-missile defense system, but Mr. Bush has supported the idea.



## WELCOME TO THE AFRICAN MARKET

The Eighth International Dakar Fair, one of the oldest and most important economic gatherings of black Africa, will open its doors from the 24th of November to the 4th of December 1988 under the banner of free trade.

The 8th FIDAK, with its expected 600 exhibitors from more than 40 countries and 120,000 visitors, is the ideal spot to get a foothold in the expanding African market.

FIDAK is the meeting place for the industrial and business activities of 5 continents and is your entry ticket for the great African marketplace.

### THE 8<sup>TH</sup> INTERNATIONAL DAKAR FAIR

For further information:  
CICES, Route de l'Aéroport, B.P. 8166, DAKAR YOFFE.  
Telephone (221) 20.04.54 / 20.03.73  
D.F.A. s.r.l. 5, rue St-Jean, 13100 AIX-EN-PROVENCE (FRANCE) - Telephone (33) 42.27.99.82

NAME ..... COMPANY .....

Address .....

Business ..... Telephone .....

(special conditions of transport and accommodation)

## Agreed by Taiwan Party

Lee Teng-hui welcomed delegates Wednesday to the Nationalist Party of Kuomintang.

which opens Thursday, is expected to determine the pace for more substantive congress is seen as a watershed in the movement initiative has virtually halted.

man of the party, which has 24 million members, was elected chairman Friday by the party's 1.4 million members. He has vowed to continue the policy of the late Chiang Chung-kuo as an

## ing in a Namibian Shop

at Africa (API) — One black man was killed Wednesday when a bomb exploded at a shop.

at condition and four additional people were injured. The explosion was placed on a 64 pounds apparently was placed in the shop in an affluent white area here, the spokesman said. No one remains in the blast.

guerrillas of the South-West African People's Organization are waging a bombing and sabotage campaign against the South African government's control of South-West Africa.

## d

guerrillas loyal to Sayid Moustafa are attacking positions held by forces of the Palestine Liberation Organization in the West Bank, their last stronghold in the area.

There is no immediate reports on casualties. Catholic in Dromore, Northern Ireland, were then sped after the fleeing men by the police said.

## VEL UPDATE

ngestion May Worsen

— Air traffic congestion, which is expected to worsen this summer, will grow more acute as airlines associations warn that the industry's secretary-general is being elected to a post that will allow him to separate the industry into more than 40 separate companies.

a single traffic control authority would be able to ease air congestion. He also proposed a single traffic control authority would be able to ease air congestion. He also proposed a single traffic control authority would be able to ease air congestion.

## Clash With Armenia

— A clash between Armenian and Azerbaijani forces in the Nagorno-Karabakh region of Azerbaijan was reported Wednesday.

— A clash between Armenian and Azerbaijani forces in the Nagorno-Karabakh region of Azerbaijan was reported Wednesday.

— A clash between Armenian and Azerbaijani forces in the Nagorno-Karabakh region of Azerbaijan was reported Wednesday.

# Missing someone back in the States?

Family, friends and business associates in the U.S. are so easy to reach with the AT&T Card.

No coins are needed, since all your calls are automatically billed to your VISA® or MasterCard® account. And you'll get an itemized monthly statement.

To apply, all you need is a valid U.S. Passport, and a valid VISA® or MasterCard®.

Just call one of the 24-hour toll-free numbers below for your application, and ask for extension 174:

- Belgium 11 7658
- Denmark 0434 0268
- France 19\*\*05 90 21 27
- Italy 1678 74 090
- Netherlands 06\*\*022 0062
- Sweden 020 795 616
- Switzerland 046 05 3060
- United Kingdom 0800 89 1132
- West Germany 01 30 98 69

From other countries, write to:  
AT&T International Information Center  
P.O. Box 61947  
D.F.W. Airport, Texas 75261-9990  
USA

\*Must be issued by a U.S. bank.  
\*\*Some countries may charge a nominal fee as part of toll-free service.  
\*\*\*Aver second dial tone.





Herald Tribune INTERNATIONAL

Next End the War

Remain in the Gulf The attack by the Vincennes on the Iranian...

On With Diplomacy The fear that arose when the Iranian...

So Much for Meese Satisfied that he will not be indicted...

America Gets Football America is number one in many things...

OPINION To Hear Moscow Talk, the United Nations Has a Future

By Flora Lewis PARIS — After the American shooting down of an Iranian airliner with 290 people aboard...

Video War: Garbage In, Garbage Out and Cross Your Fingers

NEW YORK — The New York Times headline Tuesday morning said: "Vincennes' Computers Are Said to Contain Details of Attack."

The Angola Talks Go to Washington

PARIS — Nature has been kind to Angola. It is a country that has been blessed with abundant natural resources...

Punish South Africa but Not Lesotho

MASERU, Lesotho — With the renewed state of emergency in South Africa and with Pretoria's banishing earlier this year of 17 anti-apartheid organizations...

Campaign

WASHINGTON — The Soviet Union's policy process is greater than the sum of its parts...

Responsibility for the

According to the "Gulf Crisis" report...

On Duty in a War Zone but Not at War

THERE is a war under way in and around the Gulf. And the duty of sustaining the principle of freedom of the seas historically falls on the nation with the most powerful navy...

A Job for a United Nations Flotilla

IRAN has demanded a meeting of the United Nations Security Council. Americans should brace themselves for a dose of what they gave out when the Soviets shot down a South Korean airliner five years ago...

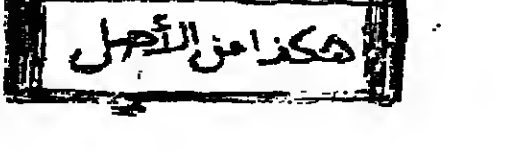
Iran Has Become the Evil Empire

IRAN qualifies as the new Evil Empire. After expressing sorrow that innocent civilians died in the missile attack on the Iranian Airbus...

Something Is Wrong With the Navy

IT IS not clear what exactly is wrong with the U.S. Navy, but something fundamental is. It has been spending huge sums on unnecessary construction of aircraft carriers...

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairman





هكذا من العمل

OPINION

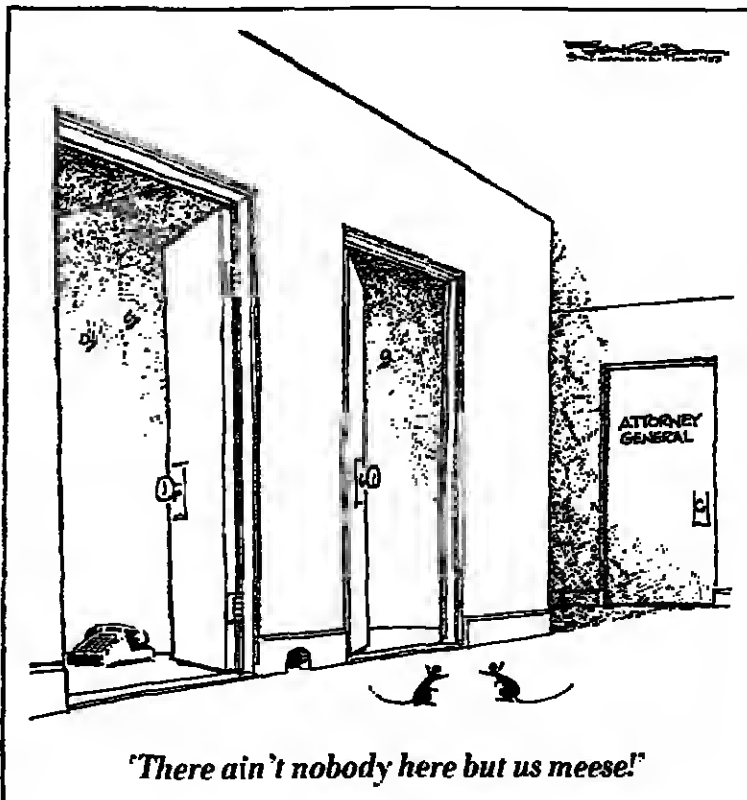
Campaign Lies Are a Dangerous Game

By Jim Fain

WASHINGTON—American political folklore has spun from George Washington to Baron Münchhausen...

believe such nonsense. Ronald Reagan is a fantasist who has made a career of denial. Once he convinces himself of a convenient deception, it's unshatterable.

election-year truce and agreed to a budget that no one even pretends is in hand-shaking reach of reality.



Psychobabbling Pays Well But It's Mostly Just Noise

By Jonathan Yardley

WASHINGTON—It was reported last week that "professional clinicians do not in fact make more accurate clinical judgments than lay persons"

man or a truck driver as from a psychiatrist or a psychologist. More likely, perhaps, since the former may well have broader knowledge of actual, real-world human behavior than the latter.

The report cannot be dismissed by the community of latter-day phrenologists as the work of ignorant outsiders. For it comes from within that community.

No doubt this report will be cited as further evidence against the wholesale use of psychological testimony in court, but its implications are considerably broader than that.

Thus it is that in the courts the testimony of psychologists and psychiatrists—testimony fundamentally speculative by nature—is employed as routinely as that of police officers and private eyes, often at exorbitant fees.

But this prattle seems to be what we want, and publicity-seeking shrinks are most eager to give it to us. We are afflicted with a plague of psychobabble. We imagine it to be the message from the oracle, but it's really only noise.

LETTERS TO THE EDITOR

Responsibility for the War

Regarding "Gulf War: A Face-Saving Formula to Bring Iran Around" (June 22) by Anthony Parsons:

Richard Galustian, London.

Iraqi cities on Sept. 4, 1980. That was followed by attacks on ships navigating the Gulf to and from Iraq.

Mohammed Sadiq Al-Mashat, Ambassador of Iraq, London.

Distrusting the Latins

Regarding the opinion column "Paraguay: High Time to Interfere" (June 16): Robert E. White's remarks over the years on both El Salvador and Paraguay betray his lack of confidence in Latin America's ability to arrange its own affairs.

Richard J. Douglas, Bilbao, Spain.

A Famous Flag Still Flies

The famous American flag that flew above the Eiffel Tower on Aug. 25, 1944, the day Paris was liberated, flew again this year as symbolic guest-of-honor at Fourth of July ceremonies in St. Tropez.

Morton Puner, St. Tropez, France.

A Tragic but True Story

In response to "Not the Way Parents Should Grow Old" (Opinion, June 30): The sad story told by Carolyn Kazdin is, I'm afraid, quite plausible.

Jerome Pollack, associate dean at Harvard Medical School, has testified: "We have some of the best hospitals in the world and some of the worst."

Congress recently voted partial payments for the aged in specific and limited categories. Much needs to be accomplished to aid the poor in their later years and those particularly in declining health.

Herbert Johnson, Paris.

A New Generation in Iran

Propaganda statements about Iran, such as those written by Arash Parsi (Letters, June 7), serve no real purpose. Partisanship for physically dead politicians such as Mohammed Mossadegh or politically dead ones such as Shahpur Bakhtiari only bore readers. The future belongs to neither; it belongs to a new generation of young leaders.

Mahmoud Marashli, London.

It Wasn't Gloating

I would have dismissed E. L. Zuntz's screed ("Gloating Is Out of Order," Letters, June 16) as just another twilight apology for communism had not the writer publicly accused me of "gloating" over hunger and poverty in Vietnam.

Jack Jolis, Brasschaat, Belgium.

Central America Matters

It is wishful thinking by The Washington Post ("Central America Hurts," June 21) to imagine that the United States could default in Central America and survive. Communization of that important region, which is a top priority on the Kremlin agenda, would be the death of the United States as a world power.

Ralf Thilen, Tenala, Finland.

GENERAL NEWS

In the South Pacific, a New Space Race

By Michael Richardson

SINGAPORE—U.S.-Soviet rivalry over the military use of outer space has turned remote parts of the Pacific Ocean into an area of critical strategic importance.

Both nations, these sources say, are vying for influence and geographic position in the South Pacific to secure their own space launch capabilities, to monitor each other's space activities, and, in the case of the United States, to be able to destroy Soviet satellites during a crisis.

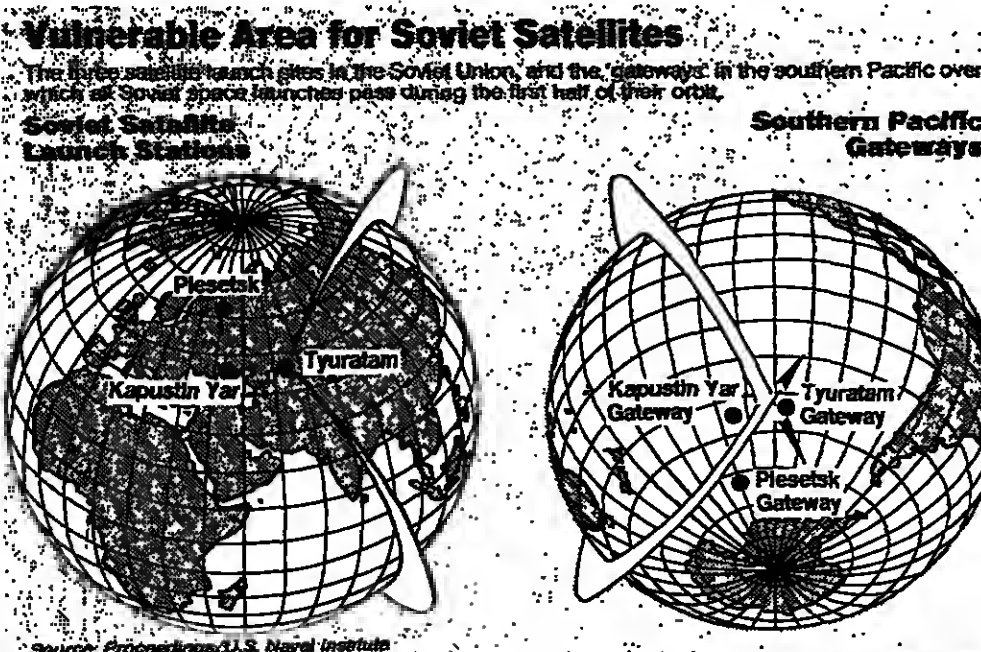
The South Pacific region lies directly opposite the main Soviet satellite launch sites on the other side of the world. Soviet satellites have been found to be vulnerable to interception at three "gateways" into space above this area, according to the experts.

The United States, the sources said, has nearly completed building a chain of radar stations on islands north of the gateways to track Soviet satellites as they are launched. For its part, the Soviet Union has since 1986 negotiated two fishing agreements with South Pacific island nations, expanded its diplomatic presence in the area and offered favorable trade arrangements to several countries.

Senior Australian and U.S. officials meeting in Washington said in a communiqué last week that the Soviet Union was continuing to improve its military capabilities for use in the Pacific.

In a telephone interview, Aadu Karemaa, a satellite specialist in the space systems division of General Dynamics Corp., said that the U.S. Navy, by deploying anti-satellite weapons at the three gateway locations in the southern Pacific, could intercept and destroy Soviet satellites before they started operations.

Mr. Karemaa said that to protect Western sea, land and air forces it was necessary to control parts of the globe directly opposite the main Soviet satellite launch sites. He explained that this was because any satellite launched in any direction from a given location will pass over a point almost directly on



the opposite side of the globe after completing the first half of its initial orbit. After the half-orbit, the effects of Earth's rotation, and maneuvering by ground controllers, will move the satellite to a different position, said Mr. Karemaa, who is manager of advanced anti-satellite systems at the General Dynamics plant in San Diego. He said that the space gateways for satellites sent aloft from the three launch stations in the Soviet Union—Plesetsk, Tyuratam and Kapustin Yar—formed a triangle in the middle of nowhere between New Zealand and Chile in the South Pacific. Mr. Karemaa wrote about space gateways in an article published in a recent issue of Proceedings, the journal of the U.S. Naval Institute. He said that the corresponding space gateways for U.S. satellites launched from Cape Canaveral in Florida and Vandenberg Air Force Base in California were in the southern part of the Indian Ocean. Therefore, the United States could guarantee its access to space by securing the two launch facilities on its territory against possible attack and by "gaining control of the locations in the Indian Ocean, which can only be achieved by naval forces." He said that existence of the space gateways was not widely known outside a small circle of people who worked on space defense matters. But, he added, the importance of the South Pacific for control of space was one of the reasons why the Soviet Union had in recent years sought to penetrate the region and why the United States was determined to maintain a substantial presence there. Senior U.S. defense officials assert that, despite denials by Moscow, the Soviet Union has developed a capability to attack U.S. satellites in space. The officials have warned that operational effectiveness of U.S. and allied Western forces, both nuclear and conventional, is heavily dependent on maintenance of a reliable satellite system. Both the Soviet Union and the United States, Mr. Karemaa said, realized that "the nation that controls space will ultimately see and hear almost everything that transpires around the world." The U.S. radar network to track Soviet satellites as they are launched stretches from the Philippines to the Kwajalein atoll in the Marshall Islands thousands of miles to the east. The network could become the basis of an anti-satellite weapons system if the U.S. Congress lifts a three-year ban on testing such weapons in space, analysts said. The Reagan administration has urged Congress to lift the ban, arguing that it prevents the United States from matching an operational anti-satellite system developed by the Soviet Union. In the meantime, the U.S. radar-tracking facilities in the Pacific play an important role in identifying Soviet satellites after they are launched, according to Desmond J. Ball, head of the Strategic and Defense Studies Center in Canberra. "By picking up satellites at the point where they are settling into

Just a reminder of what you could be doing right now.



When you make a great beer, you don't have to make a great fuss.



# Long Shadow of M'Bow Lingers Over UNESCO

By Youssef M. Ibrahim  
New York Times Service

PARIS — The X-ray machines at the doors are gone, and the tense atmosphere that reigned at UNESCO's headquarters at Place de Fontenay has visibly relaxed.

It is possible now for employees to be seen talking to American diplomats without fear of censure or ostracism.

But the decade-old controversies that prompted the United States, Britain and Singapore to leave the United Nations Educational, Scientific and Cultural Organization — and pitted Western countries against Third World countries in this and other UN organizations — are far from over.

Western diplomats say the shadow of Amadou Mahtar M'Bow, the organization's former director, who was accused of politicizing UNESCO and leading an anti-Western campaign, continues to hover eight months after he was replaced by Federico Mayor Zaragoza of Spain.

The United States has described UNESCO as a forum for anti-Western leftist attitudes such as global restrictions on press freedom and a haven of political patronage, waste and mismanagement.

Third-World diplomats say that condescending views held by the



Federico Mayor Zaragoza

West on issues of importance to developing nations, such as the flow of information, racism, human dignity and education, are a bone of contention transcending the excesses of Mr. M'Bow that led the West to press for his ouster.

UNESCO's shrinking budget is barely enough to pay the 2,500 demoralized employees, who are waiting for the time when the so-called "North-South confronta-

tion" comes to an end and UNESCO finds a sense of direction.

"It would be going much too far to say that UNESCO has an efficient and effective program," said Richard T. Miller, the U.S. observer.

He asserted that it was too early to talk about ending the four-year boycott of the organization and the suspension of American financial contributions, which accounted for 25 percent of the organization's budget.

Britain, the other leading Western country that withdrew in 1985 from UNESCO in protest against Mr. M'Bow, is also said by senior officials to be a long way from returning.

Beyond the political schism that divides UNESCO, all members seem to share a concern that the organization badly needs a managerial overhaul.

Critics assert that Mr. Mayor, 53, a Spanish biochemist and intellectual who took over in November as director general, has been too timid in his approach to administrative changes.

A spokesman for Mr. Mayor, Leon Davicho, director of UNESCO's office of public information, said he was moving as fast as possible to put changes into effect, adding that "13 years leaves deep im-

prints." Mr. M'Bow held the office for 13 years.

"The job of the director general demands a certain political experience," said Aziz al-Hajj, Iraq's representative. "Mr. Mayor must realize that what happened is a change of authority from someone who turned UNESCO into a personal fiefdom to a new man who has obligations to clean it up from parasites. In that sense, Mayor has not completely taken charge yet and I hope he will do it."

But what everyone agrees on is that the discord that reigns here centers on the role of UNESCO.

"The West would like to limit itself to strictly defined cultural and technical projects, such as the successful rescue of the marmoset Egyptian Pharaonic monument of Abu Simbel 20 years ago, when it was threatened by the rising Nile."

The Third World sees it as a full-fledged forum for debating the big issues of the times. "This is an intellectual organization," said India's representative, Arundhati Ghose.

"UNESCO must make its own contribution to issues like apartheid, racism, media and education," she said. "You cannot say apartheid is a purely political issue and therefore what is happening to young people in South Africa is no longer our business."

The United States and Britain, however, argue that politics belongs with the United Nations in New York and that there is enough of it there.

"Why is UNESCO always debating the Middle East problem?" Mr. Miller said. "That sort of debate, when it takes over an organization, destroys its ability to work. It makes the organization useless."

By far the most contentious issue in the last few years in Western eyes has been UNESCO's attempt to form a "new world information order."

Third-World countries that have long complained that the Western press concentrates on negative aspects of their development teamed up with the Eastern bloc to forge a new code of journalistic behavior. The pursuit of this effort is viewed ominously.

"The new information order has become a reference point to legitimize the reach of regimes against a free press," a Western European representative said.

"The fact of the matter is that if the West had complete ideological domination of this organization, as it used to have many years ago, you won't have all of this Western whining and complaining about UNESCO," Mr. al-Hajj said. "It is a matter of which views are dominant."

# ASEAN Nations Agree to Attend Cambodia Talks

By Nick B. Williams Jr.  
Los Angeles Times Service

BANGKOK — The six countries of the Association of Southeast Asian Nations, in a shift from their previous position, have agreed to attend talks on a political settlement of the Cambodian conflict.

"All the ASEAN countries will participate," Foreign Minister Ali Alatas of Indonesia said Tuesday as the ASEAN ministerial meeting ended here. He said that only the

level of representation is yet to be decided.

The non-Communist ASEAN group initially opposed taking part in the proposed talks, contending that the war, which is in its 10th year, was a matter to be solved by Vietnam, the government it installed in Phnom Penh in early 1979 and the three guerrilla factions opposing that regime.

The talks are to take place in Jakarta beginning July 25. Calling

the talks "something that has never happened before in nine years of war," Mr. Alatas said that they would be "informal, a preliminary attempt."

Initially, the talks are to take place between Prime Minister Hun Sen of the Vietnam-backed government in Phnom Penh, and the heads of the resistance groups: the former Cambodian leader Prince Norodom Sihanouk, Son Sant, a former prime minister, and Khieu

Samphan, a ranking official of the Khmer Rouge, which held power in Phnom Penh from 1975 to 1979.

The second stage would bring in Vietnam, the ASEAN countries and Laos, a Communist-ruled ally of Hanoi and of Phnom Penh.

The resistance forces have put forward an eight-point plan for withdrawal of the Vietnamese occupation army and a political solution. Vietnam and the government in Phnom Penh have offered no

formula yet, although Mr. Hun Sen insists that his government has no intention of being dismantled.

Both sides are cautious, despite the apparent momentum toward some sort of solution.

"The meeting in Jakarta will be a litmus test of Vietnam's motives and sincerity," declared Foreign Minister Sushil Dhanabalan of Singapore, a hard-liner on the conflict. "We should know whether Hanoi wants to seriously address the question of a negotiated political compromise, or whether it is part of its bag of tricks."

ASEAN's Agenda

The future of Cambodia, Indonesian refugees and trade problems are likely to dominate three days of talks beginning Thursday between ASEAN foreign ministers and "dialogue partners" from industrialized countries. The Associated Press reported from Bangkok:

The role of the Khmer Rouge in Cambodia, mostly sidestepped in earlier talks by the ASEAN ministers, may become the focus of attention in coming days since the United States, Australia and others represented in Bangkok have emphasized they would find the return to power of the Khmer Rouge totally unacceptable.

Attending the dialogue with ASEAN will be foreign ministers or other senior officials from Australia, Canada, the European Community, Japan, New Zealand and the United States.

Possible UN Appeal

The United Nations may be asked to help form an international peacekeeping contingent to underpin a future settlement in Cambodia. Foreign Minister Siddhi Savetsila of Thailand was quoted Wednesday as saying, Reuters reported.

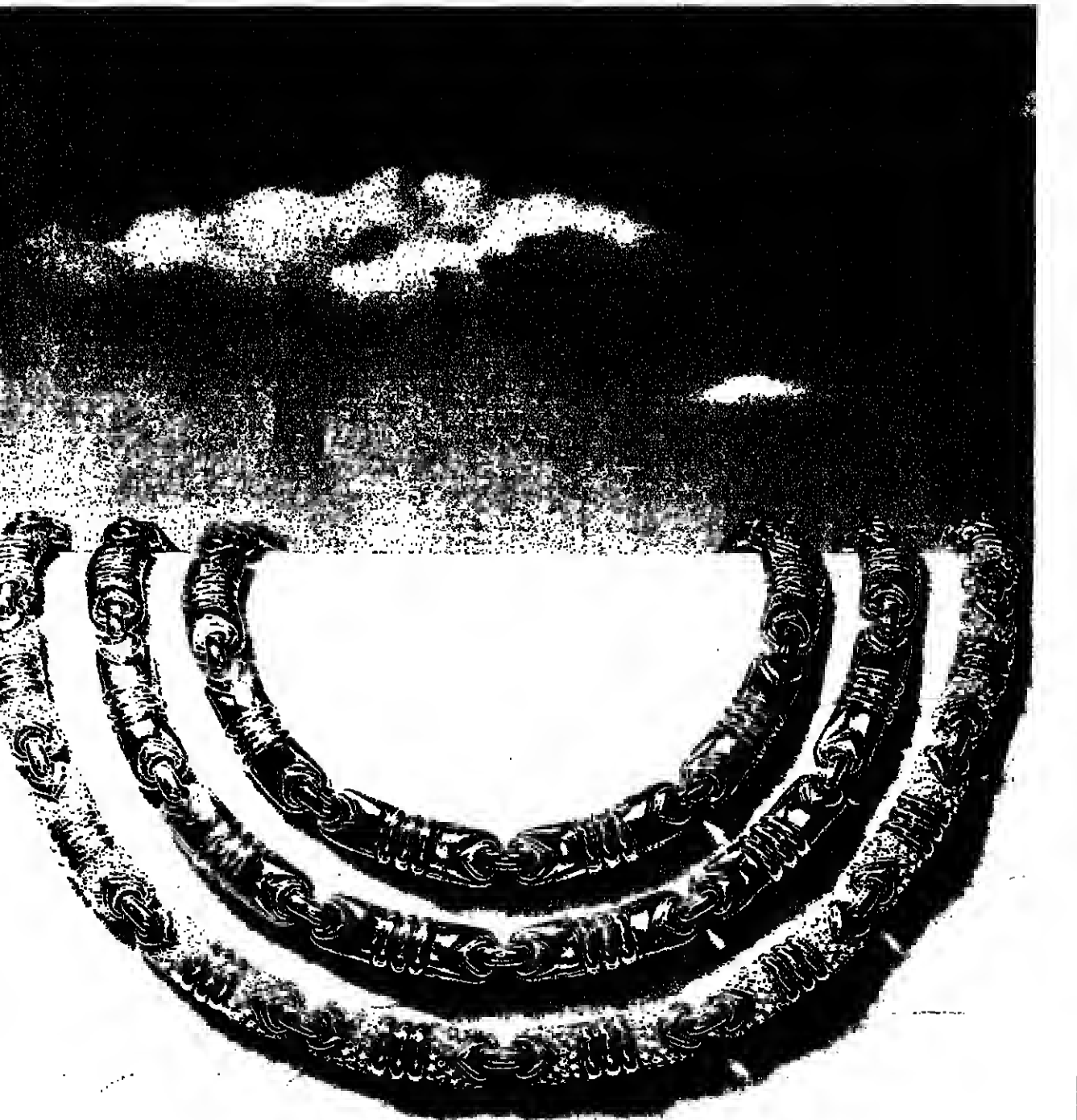
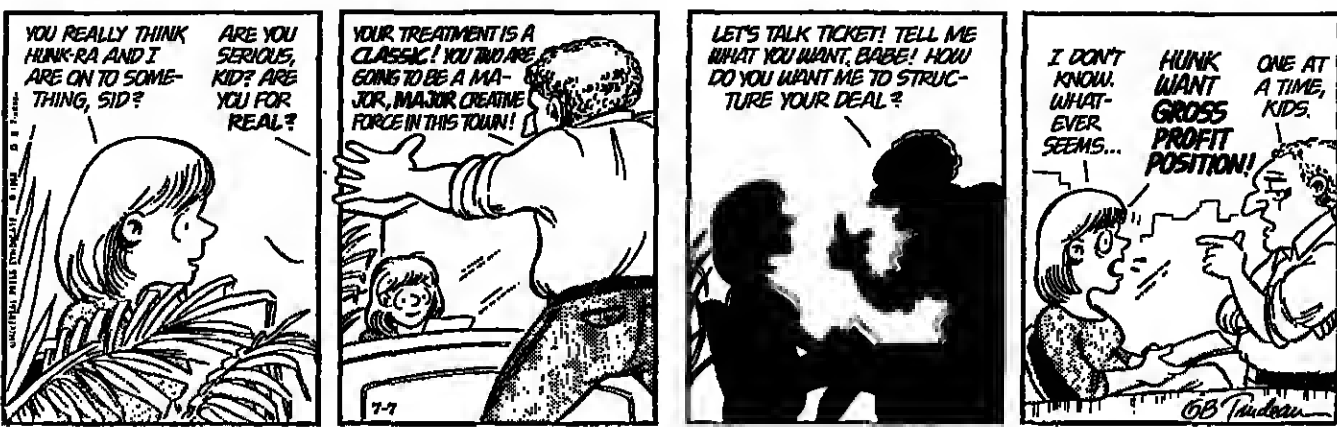
He was quoted Wednesday by the Nation newspaper, which is published in Bangkok, as saying some countries had volunteered to send peacekeeping troops to Cambodia. He did not identify them.

Foreign Minister Sosuke Uno of Japan, scheduled to arrive later on Wednesday, was expected to discuss possible Japanese funding for such a force with ASEAN foreign ministers, diplomats said.

Kenya Releases 3 Journalists

NAIROBI — Kenyan police freed three West German television journalists Wednesday, a colleague said. They were detained for two days after a tribal chief objected to their filming a traditional burial rite.

## DOONESBURY



**BVLGARI**  
27, AVENUE MONTAIGNE  
PARIS  
ROMA - NEW YORK - GENÈVE - MONTE CARLO - MILANO - TOKYO - HONG KONG - SINGAPORE

## ASIAN TOPICS

### Afghan War's Sequel: Millions of Mines

Although Soviet forces are withdrawing from Afghanistan, millions of land mines sown throughout the country are expected to kill and maim thousands of men, women and children in the months and years to come, the Los Angeles Times reports.

U.S. military analysts have estimated that there are now between three million and five million land mines of various types scattered throughout Afghanistan. Many are old, planted by Soviet troops to defend their perimeters. But many have been recently planted, aimed at slowing guerrilla efforts to retake territory abandoned by government or Soviet forces.

"People are going to be blown up for the next 20 years," one diplomat said. "The civilians are going to take the brunt of it. The effect is going to be disastrous on the refugees when they return."

Leslie Johnstone, who runs a clinic in Peshawar, Pakistan, that furnishes artificial limbs for wounded Afghans, said, "The best guess we have at the moment is that there will be something like 10,000 more mine victims. Whatever the time frame for that will be is anybody's guess."

### Around Asia

Haing Ngor, the Cambodian doctor who won an Academy Award in the film, "The Killing Fields," says he hopes to set up a hospital for refugees at the Thai-Cambodian border. Dr. Ngor said he already has the funding and the medical staff, but needs approval from both the Thai government and from Cambodian resistance leaders. Now a U.S. citizen, he said that once Cambodia was free, he would go back to help rebuild the country. But he said he would not stay, because of "too many painful memories," including the deaths of several members of his family under the Khmer Rouge regime.

Bribery being rampant in the Philippines, a returning resident, Malacitas Gupit, slipped a \$2 tip into his passport to speed immigration formalities at Manila airport. Unfortunately for Mr. Gupit, the officer on duty was none other than the crusading immigration commissioner, Miriam Santiago, sitting with reporters to dramatize her efforts to clean up the department. She returned the \$2 to Mr. Gupit, who looked frightened. "Imagine that, a Filipino afraid in his own country," she told the press.

Hong Kong is getting a new ship-shaped building the size of an excursion liner — 100 meters

(325 feet) long and 16 meters high. The nautical theme is a reminder of the site: the former dockyards in East Kowloon. The "vessel" will be surrounded by a narrow moat of shallow water; visitors will board it on gangways. The structure, opening this summer, is the centerpiece of a 4 billion Hong Kong dollar (about \$500 million) development by the Hutchison Whampoa conglomerate that will include 10,400 residential units and 2 million square feet (185,000 square meters) of stores and offices.

Deng Xiaoping, China's paramount leader, spoke publicly Tuesday for the first time about his death. In remarks to reporters covering the Beijing visit of President José Sarney of Brazil, Mr. Deng, who will be 84 Aug. 24, said, "I am a setting sun. But as long as I can swim, I will be healthy," he added, and "now it's time to go to the beach again." China's leaders gather each August at the seaside resort of Beidaihe.

Indonesia has banned the export of polished rattan in an attempt to develop what it hopes will become the world's largest cane furniture industry. The country is the source of about 80 per cent of the global supply of rattan, which comes from rattan palms. Two years ago it outlawed shipments of raw rattan. Kumhal Djamil, a Trade Ministry official, said he was confident that an export ban on rattan would force Hong Kong and Taiwan cane furniture companies to close shop or shift their operations to Indonesia.

The Shanghai Hilton, the first wholly foreign-owned hotel in the port city, has opened its doors. Rising 43 stories over the old French concession, the hotel has 800 rooms, six restaurants, two bars and a staff of 1,500, spokesman said virtually all were hired locally. Ninety percent of the \$100-million investment came from Cindic Holding Co. Ltd., a Hong Kong company. The balance came from Hilton International Co. of New York.

Singapore's hawkers are persistent, as illustrated by this story recounted by Seth Mydans of The New York Times: A local businessman passed through Change Alley every day, to and from work. For 14 years, morning and night, one money changer called out to him each time he passed, and for 14 years the businessman ignored him. Then one day, suddenly pressed for funds, he made a change and he asked the money changer, "Why have you persisted all these years when I never changed money with you?" And the money changer replied, "But now you have."

Arthur Higbee

China and Brazil Reach Agreement To Develop Joint Space Technology

BEIJING — China and Brazil signed an agreement Wednesday to jointly develop two satellites in a move to break the more industrialized nations' monopoly of advanced space technology, Chinese official media reported.

The agreement was one of eight signed by Foreign Minister Qian Qichen of China and his Brazilian counterpart, Roberto de Abreu Sodre, the radio reported.

The official China Daily newspaper said the satellite accord was aimed at breaking into the small circle of nations with advanced space technology.

China, which says it has successfully launched 22 satellites, has urged Western governments to allow China to sell its rocket launch services to Western customers and

not impose tight restrictions on foreign satellites entering China for launching.

Details of the space agreement were not immediately available, but Brazilian officials said earlier that the two countries hoped to launch satellites with Chinese Long March rockets in 1992 and 1994 to monitor crops and natural resources in China and Brazil.

President José Sarney of Brazil and President Yang Shangkun of China toasted the agreements with champagne as reporters looked on in the Great Hall of the People.

The documents covered commitments to cooperate in the fields of transportation, medicine, industry, water, electricity and in consular and visa matters.

Mr. Sarney, the first Brazilian head of state to visit Beijing, met Deng Xiaoping, the senior Chinese leader, on Tuesday.

"The Third World countries," said Mr. Deng, quoted in China Daily, "should step up their cooperation because we have the same historic position and responsibility."

China Daily also announced Wednesday that Beijing will develop a new generation of strategic and tactical missiles.

In addition, it reported that China has conducted experiments on three other missiles and has selected a final design for a fighter aircraft known as the F-9-II.

The newspaper was quoting Lin Zongtang, head of the newly formed Ministry of Aeronautics and Astronautics Industry, who spoke at a ceremony marking the ministry's formal inauguration. Mr. Lin gave no details about any of the missiles or the fighter.

Beijing has been actively promoting the sale of its missiles and other weaponry, particularly in the Middle East.

In March, China announced it had sold an unspecified number of missiles to Saudi Arabia. Western military experts said these were CSS-2 missiles, which have a range of about 1,800 miles (3,000 kilometers).

Drugs Are Linked To Baker's Death

AMSTERDAM — The jazz trumpeter player Chet Baker is believed to have been on drugs when he fell to his death from a high window here in May, according to a police spokesman.

The spokesman said that the results of toxicological tests conducted by a coroner on Mr. Baker's body had been sent directly to the prosecutor, who had not referred them back to the police.

"To us, the use of drugs is clear," he said. "We would only have heard back from the public prosecutor if the tests had not squared with our version of events." Earlier, an autopsy showed that Mr. Baker, who had had a long history of heroin addiction, had not been the victim of foul play.

## INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Now Printed in the U.S. For Same Day Service in Key American Cities.

To subscribe call us toll-free in the U.S.: 1-800-882-2884.

(In New York, call: 212-752-3890.)

Or write: International Herald Tribune, 850 Third Avenue, New York, N.Y. 10022. Or Telex: 427175. Or Fax: 212-755-8785.

## WORLD MARKETS IN REVIEW

IN THE IHT EVERY MONDAY. A WEEKLY REVIEW OF WORLD STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

## AUTHORS WANTED BY N.Y. PUBLISHER

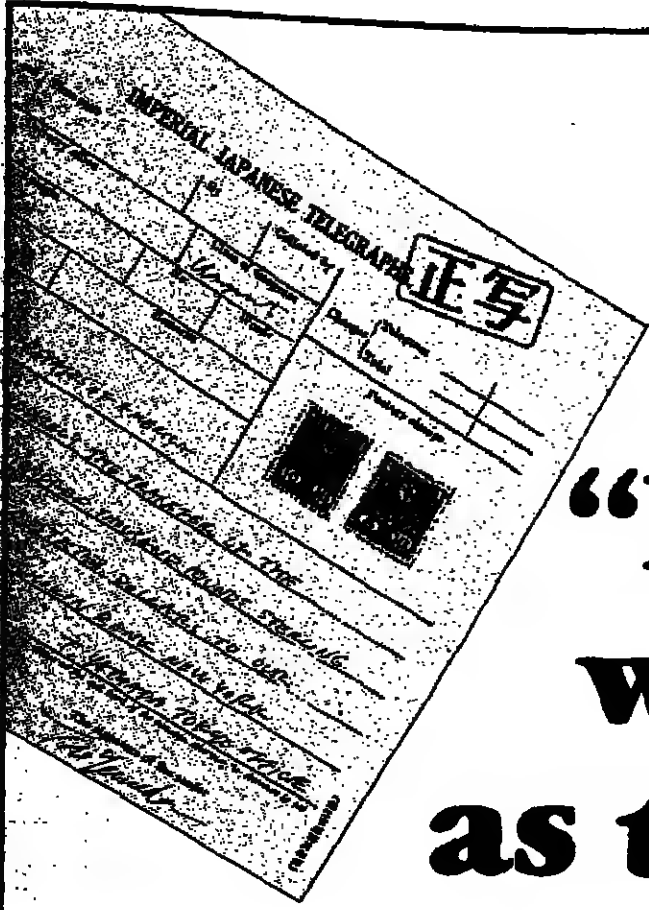
Leading literary book publisher seeks manuscripts of all types, fiction, non-fiction, poetry, novels, children's and religious works. All genres welcome. Send for free booklet to: Westport Press, 516 W. 30th St., New York, N.Y. 10001 U.S.A.





70 YEARS OF DEDICATION

70th



“Honourable Banker, would you be so kind as to buy this telegram?”



Or, How the Time Difference Helped Nikko Securities Launch a \$200 Billion Business.

It happened one morning in Tokyo in 1921. Gen-ichi Tohyama, owner of a tiny, 3-year-old securities brokerage house, was given the chance of a lifetime. Just as prices of foreign bonds in Japan were sagging, and investors rushed to sell their holdings, Tohyama found a buyer. And a very, very big one, at that. But he also had one very big problem. At a time when it was customary to settle all bonds transactions in cash, and within the same business day, this client could only pay for the bonds through its New York office.



But was it? To Tohyama, it suddenly seemed the key to the whole dilemma. For as long as New York was fourteen hours behind, the deal could be completed that day—in New York! By 2:00 p.m., Tohyama had convinced his buyer to send a telegram to its New York office to authorize a transfer of funds worth a hundred thousand pounds sterling to the Yokohama Specie Bank (Japan's only foreign exchange bank) in New York. By 2:30, he had taken a copy of the telegram to the bank's headquarters in Tokyo. And with that flimsy, unfamiliar piece of paper (literally, an "Imperial Government Forwarded Message") as collateral, he ventured to make an unheard-of request. "Honourable banker, would you be so kind as to buy this telegram?"

The rest is history. Within the hour, Tohyama had obtained the funds to purchase a hundred thousand pounds worth of foreign bonds for his buyer. He had also opened up whole new possibilities in overseas transactions. And sent business soaring for his little securities house.

What was to be done? Tohyama, of course, had no means of his own to finance a deal this big. But a remittance from America would take three days. Even the fastest telegrams took four hours to get there. And with New York fourteen hours behind, the client's funds would never arrive in Japan in time to buy the bonds from those anxious to sell that day. The other securities houses withdrew. The time difference seemed an insurmountable barrier.

This is Nikko Securities' very first success story. Today, as we commemorate our 70th anniversary, we have over \$200 billion in assets in custody. Our worldwide organisation is 14,500 people strong. But we still cherish the global vision and the ingenuity that prompted Tohyama to make that first, unorthodox request. We still believe creative thinking is the best way to respond to changing customer needs. And the only way we can continue to grow for the next 70 years, and beyond.

NIKKO

The Nikko Securities Co. International, Inc. One World Financial Center-A, 200 Liberty Street, New York, NY 10281, U.S.A. Telephone: 212-416-5400, Telex: 232861

The Nikko Securities Co., Ltd. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100, Japan Telephone: 03-283-2211, Telex: J22410

The Nikko Securities Co., (Europe) Ltd. 55 Victoria Street, London SW1H 0EU, United Kingdom Telephone: 01-799-2222, Telex: 884717

The Nikko International Network / ZURICH GENEVA FRANKFURT LUXEMBOURG PARIS COPENHAGEN MILAN MADRID AMSTERDAM BAHRAIN SAN FRANCISCO LOS ANGELES CHICAGO TORONTO HONG KONG SINGAPORE SYDNEY MELBOURNE SEOUL BEIJING QINGDAO SHANGHAI

Hong Kong housing development... The Shanghai Hilton... Singapore's bankers...

ich Agreement... ce Technology

ding... nna

Drugs Are... To Baker's...

NTED... SHER

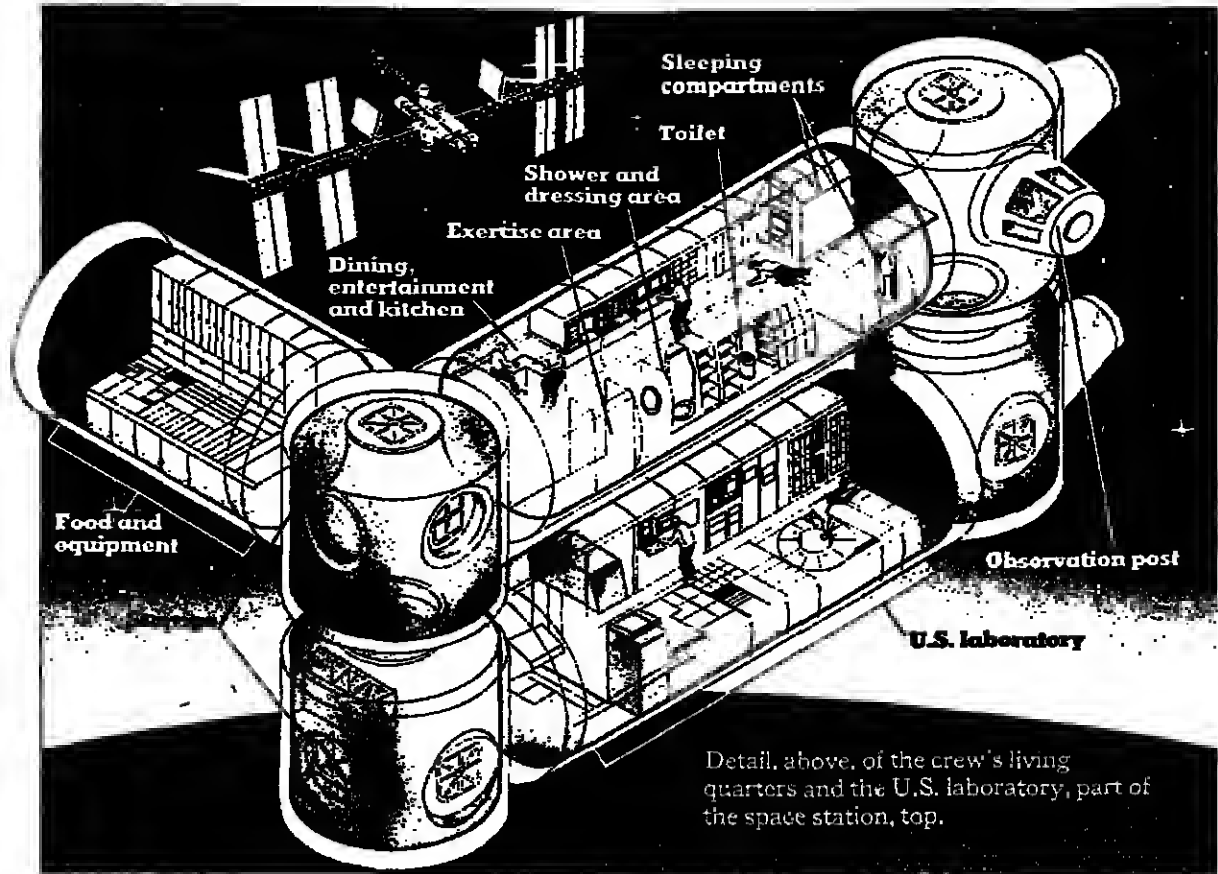


SCIENCE

Apt. for 8 W/ View Of World

By Michael deCourcy Hinds

HUNTSVILLE, Alabama — The home for space-station astronauts that is being built here at the Marshall Space Flight Center...



Detail, above, of the crew's living quarters and the U.S. laboratory, part of the space station, top.

Captain Kirk might ask his science officer, Mr. Spock, for a quick beam back to the Enterprise. But astronauts who lived 15 years ago in Skylab, the world's first space station...

The mock-up represents the efforts of hundreds of technicians, environmental psychologists, architects, engineers and spacecraft designers from NASA and the Boeing Co. which has the contract to build the habitation module.

The space station program has been controversial ever since President Ronald Reagan announced it in 1984. Budget committees in Congress are weighing the costs — \$14.5 billion and climbing — against the advantages of having a research laboratory with humans aboard, orbiting at 17,000 miles (27,000 kilometers) an hour...

The United States, the European Space Agency and Japan are each providing a laboratory module on the space station, and Canada is helping design a crane to assemble the station in space.

or design on earth. "We're trying to blend science, art and engineering to advise spacecraft designers on creative environments for humans in space, but I've always thought the spinoff for terrestrial environments is the much wider use for our work," said Dr. Yvonne Clearwater, an environmental psychologist at the NASA Ames Research Center in California.

The habitation module — crew quarters — will include about a fifth of the space station's pressurized area. Modules for the three laboratories and the living quarters will be connected by cylindrical nodes, which provide observation windows, control stations and storage.

Individual components will be built on earth and carried aloft by space shuttles on 19 missions over a three-year period starting in 1995. Astronauts will assemble the station.

The dimensions of the module — 43 feet long and 14.5 feet in diameter — are dictated by the payload bay of a space shuttle. A corridor 7 feet wide and 7 high cuts through the center of the cylindrical module, leaving rounded slices of space about 3 feet deep along all four sides of the corridor.

area are at the other end, and in the middle are a shower, dressing area, toilet, medical testing equipment and central command center for the space station.

Very little is familiar in this home in space. The kitchen does not have a sink, counter or range, and there is only one drawer for utensils. Built into a box 8 feet wide and 7 feet high are two microwave-convection ovens, push-button water spigots, a computer terminal for food inventories, a dishwasher and storage cabinets for 14 days of "airplane food," as a NASA official described it.

Astronauts will float with their food trays to a nearby table and slip their feet into stirrups on the floor to keep stationary while they eat. At the table they might watch a wall-mounted television, gaze at the earth through two 20-inch portholes or use the pop-up computer terminal at each place. An astronaut could check the laundry spinning underfoot, the clothes washer is built into the floor.

The semi-oval table is designed to promote good "psychosocial group dynamics," said Joseph P. Hale, a specialist in human engineering at Marshall.

Because they are weightless, astronauts do not need furniture. As they relax they assume a "neutral body posture" similar to that of a person floating in water. To save space each will sleep vertically in a sleeping bag hung on the wall of his or her 42-by-46-inch cubicle, a marvel of efficient planning containing storage, audio and video systems and a computer work station.

ments are like Dutch doors that can be partly or fully opened to communicate with neighbors or spouses; several astronaut couples are training for space station assignments.

The mock-up at Marshall has a white ceiling, off-white walls and a brown floor. The final colors have not been chosen, but scientists say a dark floor and light ceiling — giving cues for ground and sky — help orient astronauts and relieve nausea. Fluorescent tubes providing light in the full color spectrum will flatter skin tones. "If you don't look great, you won't feel great," Mr. Hale said.

The astronauts will select fabrics for cloth partitions, wall coverings and sleeping bags. There are two bathrooms. Traffic jams will be reduced by scheduling, the crew works in two 12-hour shifts. The shower looks like a shower, but the hand-held wand provides both water and a vacuum to remove it. Fans and vacuum devices also help eliminate waste from the toilet and from a plastic bubble where hands are washed. Astronauts shave in the shower and swallow their toothpaste.

Some time in the next few years, depending on federal financing and mission scheduling, Marshall and Boeing program managers say they will "freeze technology" and draw up a preliminary plan for the habitation module. After a NASA review, Boeing will draw up the final plan and build a testing model. Only then will Boeing build the habitation module that will be sent into space.

Soviet Mission to Mars

By John Noble Wilford

New York Times Service

THE Soviet Union, bidding for leadership in Mars exploration, plans to launch a pair of spacecraft this week and next on seven-month journeys to orbit the planet and dispatch landing vehicles to Phobos, a tiny gray moon believed to be an asteroid trapped by Martian gravity.

The two unmanned space probes will be the first spacecraft to travel to Mars in 13 years. The first is scheduled to be launched Thursday and is to be followed by an almost identical craft Wednesday. The craft are expected to attempt the first landing of scientific instruments on Phobos in April.

The potato-shaped moon would then become the fourth extraterrestrial body (after Earth's Moon, Venus and Mars) on which spacecraft have touched down. American Vikings landed on the planet in 1976. The last two Soviet expeditions to Mars, in 1974, were failures.

If the spacecraft are successful in reaching Mars next January, they will spend two or more years in orbit transmitting television pictures of the planet and data on its atmosphere, terrain and climate.

But the primary objective will be Phobos, which with a diameter of no more than 14 miles (27 kilometers) is a speck of a planetary companion but twice as large as the other Martian moon, Deimos.

From a little more than a mile above Phobos, the two orbiters are to probe the moon with radar, penetrating the surface to learn its texture and structure, and zap it with laser and particle beams to determine the chemical composition.

At their closest approach, cruising slowly within 165 feet (50 meters) of Phobos, the orbiters will each drop a stationary landing craft equipped with cameras and instruments for investigating the chemistry and structure of the moon.

One of the orbiters will also drop a 110-pound (50-kilogram) metal ball to the surface. Its spring-loaded legs are designed so the instrument-laden "hopper" can bound from place to place, making chemical, magnetic and gravity observations over a wide area. In the low-gravity environment, the hopper is expected to cover 60 to 100 feet with each bound and make at least 10 hops over four hours.

Each orbiter and lander is packed with 26 scientific instruments and cameras.

Although the spacecraft were built in the Soviet Union and will be launched there, many of the instruments were produced in collaboration with 12 other nations, including the United States and several Western European countries.

American scientists have acted as advisers and will help analyze data from the mission. After years of concentrating on Venus, Soviet scientists have given Mars priority and have mapped out a broad program of exploratory flights over the next decade.

A Soviet landing on Mars with robotic rovers is scheduled for 1994, and another orbiting reconnaissance mission is being considered for 1992.

U.S. scientists are conducting preliminary studies for similar missions. But the only project to be approved and financed is the Mars Observer, an unmanned craft to orbit Mars in 1992 and survey the planet's geology and meteorology. Since asteroids are too small to have substantial interior heating and other sources of dynamic change, which modifies larger planetary bodies over time, they are prized objects for scientific investigation, for they could represent some of the primordial material of the solar system.

IN BRIEF

Drug Can Slow Cirrhosis

NEW YORK (Reuters) — Mexican and Canadian medical researchers have found that an arthritis drug is effective in treating cirrhosis of the liver, a complication of alcoholism and a leading cause of death worldwide.

Scientists said in a 14-year study, the drug colchicine increased survival rates significantly. For example, 75 percent of those treated with the drug lived for five years, compared with 34 percent for those not treated.

The study, reported by the New England Journal of Medicine, was conducted at the Instituto Nacional de la Nutricion Salvador Zubiran in Mexico City.

Hepatitis Threat to Fetuses

NEW YORK (NYT) — A federal recommendation last month to test all pregnant women for the hepatitis B virus reflected new evidence that many more infants are threatened by the virus than previously believed.

The policy change also showed that many doctors were not diligent enough in ordering hepatitis tests for pregnant women known to be at high risk of the liver disease.

Officials at the U.S. Centers for Disease Control are asking Congress to add hepatitis B to the list of immunizations financed in public clinics.

Drug Can Slow Cirrhosis

NEW YORK (Reuters) — Mexican and Canadian medical researchers have found that an arthritis drug is effective in treating cirrhosis of the liver, a complication of alcoholism and a leading cause of death worldwide.

Scientists said in a 14-year study, the drug colchicine increased survival rates significantly. For example, 75 percent of those treated with the drug lived for five years, compared with 34 percent for those not treated.

The study, reported by the New England Journal of Medicine, was conducted at the Instituto Nacional de la Nutricion Salvador Zubiran in Mexico City.

Hepatitis Threat to Fetuses

NEW YORK (NYT) — A federal recommendation last month to test all pregnant women for the hepatitis B virus reflected new evidence that many more infants are threatened by the virus than previously believed.

The policy change also showed that many doctors were not diligent enough in ordering hepatitis tests for pregnant women known to be at high risk of the liver disease.

Officials at the U.S. Centers for Disease Control are asking Congress to add hepatitis B to the list of immunizations financed in public clinics.

AIDS Cases Top 100,000

GENEVA (AFP) — The number of AIDS cases reported to the World Health Organization exceeded 100,000 last month.

Nearly 4,000 new cases were reported in June by the 176 countries supplying information to WHO, bringing the current official total to 100,410 worldwide, WHO announced.

Leukemia Drug Promising

NEW YORK (NYT) — An experimental drug that is being developed as a possible treatment for AIDS is unexpectedly showing promise as a treatment for a common, devastating form of leukemia.

In laboratory experiments the drug, didanosine, or ddI, blocks an enzyme in leukemia cells and prevents them from growing.

Dr. Ronald McCaffrey of the Boston University Medical Center said he was optimistic that the new research might lead to a new treatment for patients with acute lymphoblastic leukemia.

Trace Minerals Affect Sleep

NEW YORK (NYT) — Trace elements in the diet can influence the quality of sleep, according to the U.S. Department of Agriculture.

The department's Human Nutrition Research Center in Grand Forks, North Dakota, found that women with shortages in their diets and blood of either of two minerals, copper and iron, were more likely to have trouble sleeping. Conversely, the more aluminum the women ingested — mainly through antacids containing aluminum — the poorer the quality of their sleep.

Save 40% or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune.

The longer you subscribe the more you save.

Table with columns: Country/Currency, 12 months + 52 ISSUES SAVINGS %, 6 months + 26 ISSUES SAVINGS %, 3 months + 13 ISSUES SAVINGS %. Rows include Austria, Belgium, Denmark, Finland, France, Germany, Gr. Britain, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Rest of Europe, Africa, Middle East, Rest of Africa, Gulf States, Asia.

\*In Germany, hand delivery is available in major cities on publication date. For details, please check here and fill in your address below.

\*\*At these rates, you can get early morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Göteborg and Malmö. Offer valid through December 31, 1988 for new subscribers only.

Subscription form for International Herald Tribune. Includes fields for Name, Address, City, Country, Card account number, Card expiry date, Signature, and Tel/Telex.

Advertisement for 'A Century of News' book. Features a large image of the book cover and text describing its content: 'This handsome, large-format book allows such excellent reproduction of historic Herald Tribune material that you'll be poring over the pages with the same intense excitement as the original readers. Not only front pages — with such news headlines as Queen Victoria, Charles Lindbergh, the first astronauts, right up to Reagan and Gorbachev — but also interviews with famous figures, feature articles, memorable sports pages and fascinating "retro" advertising. All from the paper that's been in tune with its time for over 100 years.'

FROM THE WALL ST...

Bargains, Ta For Cheap B

By ANDR... SAN FRANCISCO — S...ous investment, are...lysis said, could be in...industry and bargain...investors.

In contrast to some other is...recovered from the October...black stock compiled by B...great advisory newsletter, fell...through May 20. The Stand...of 1 percent in the period...of over-the-counter stock...13.2 percent.

Companies with earnings...have done well, but develop...stage companies are...bottom. Editor...James McCamant, editor...of the Medical Technology...Stock Letter in Berkeley, Cal...He noted that institu...tional ownership of many bio...technology companies had...a plunge in the stock price...Genentech Inc. has also...whole group," said Jeffrey...Investor. Genentech's stock...closed Tuesday. The other genetic...already has products on the m...receptor, the new blood clot d...first-year sales of any...been peaking but their estim...data from studies on the dru...some health care providers to...The depressed market is als...companies to get the capita...development. Low stock price...on the market could in turn b...equity investments in small...Westport, a biotechnology a...says Biogen NV, Cetus Ce...most likely takeover targets.

Trace Minerals Affect Sleep

NEW YORK (NYT) — Trace elements in the diet can influence the quality of sleep, according to the U.S. Department of Agriculture.

The department's Human Nutrition Research Center in Grand Forks, North Dakota, found that women with shortages in their diets and blood of either of two minerals, copper and iron, were more likely to have trouble sleeping.

Conversely, the more aluminum the women ingested — mainly through antacids containing aluminum — the poorer the quality of their sleep.

Table with columns: Currency, Rate, and other financial data. Includes rows for various currencies and interest rates.



THURSDAY, JULY 7, 1988

WALL STREET WATCH

Bargains, Takeovers Seen For Cheap Biotech Stocks

By ANDREW POLLACK New York Times Service

SAN FRANCISCO — Biotechnology stocks, once a glamorous investment, are in the doldrums. The result, analysts said, could be increased takeover activity within the industry and bargain-hunting opportunities for patient investors.

In contrast to some other issues, biotechnology stocks have not recovered from the October market collapse. The index of 64 biotech stocks compiled by Biotech Investor, a New York investment advisory newsletter, fell 3.2 percent from the end of October through May 20.

By comparison, the Standard and Poor's 500-stock index rose half of 1 percent in the period and the NASDAQ composite index rose 13.2 percent.

"Companies with earnings have done well, but development-stage companies are rocking along the bottom," said James McCamant, editor of the Medical Technology Stock Letter in Berkeley, California. He noted that institutional ownership of many biotechnology companies had dropped since the market collapse.

A plunge in the stock price of a leading biotechnology company, Genentech Inc., has also thrown "a wet blanket over the whole group," said Jeffrey W. Casdin, the publisher of Biotech Investor. Genentech's stock, which reached a high of \$47.50 earlier this year, closed Tuesday at \$27.125.

Unlike the other genetic engineering companies, Genentech already has products on the market, including tissue plasminogen activator, the new blood clot dissolver that is expected to have the highest first-year sales of any drug in history. Still, analysts have been peering back their estimates of the sales because of unclear data from studies on the drug and the likely resistance among some health care providers to its high price of \$2,300 a dose.

The depressed market is also likely to make it harder for young companies to get the capital they need to continue product development. Low stock prices and the inability to raise money on the market could in turn bring about a flurry of mergers and equity investments in small companies by large ones. Stuart Weisbrod, a biotechnology analyst at Prudential-Bache Securities, says Biogen IV, Cetus Corp. and Centocor Inc. would be the most likely takeover targets.

MEANWHILE, analysts said there are some buying opportunities for investors who are patient. Mr. McCamant of the Medical Technology Stock Letter said some stocks are now "ridiculously cheap." Synergen Inc. closed Tuesday at \$6.75 a share, half the price that Eli Lilly & Co. paid for a stake two years ago. California Biotechnology Inc. is selling for close to its book value.

Mr. McCamant also liked Xoma Corp., is expected to seek approval within the year to market two products. Its stock closed Tuesday at \$12.75, compared with a 52-week high of \$25.

Mr. Weisbrod of Prudential-Bache is recommending no stocks for short-term gains, but a few for the long term. One is Centocor, which is considered the leader in a branch of biotechnology known as monoclonal antibodies. Another is Applied Biosystems, which sells equipment for use by biotechnology companies. Goldman, Sachs & Co. also has recommended Applied Biosystems.

Mr. Casdin of Biotech Investor finds Genentech attractive at its lower price. He also likes Amgen Inc., which is expected to be the next genetic engineering company to market its products. The company, based in Thousand Oaks, California, has applied for government approval to sell erythropoietin, a substance that will be used to treat anemia in kidney dialysis patients.

U.K. Firm Plans to Buy MTM French Concerns To Participate

By Jacques Neher Special to the Herald Tribune

LONDON — Television South PLC, a television production company, said Wednesday that it had tentatively agreed to buy MTM Entertainment, co-founded by the actress Mary Tyler Moore, for about \$320 million in cash and stock.

The purchase of the U.S. production company, whose assets include more than 1,000 hours of programs such as the "Mary Tyler Moore Show," "Lou Grant" and "Hill Street Blues," was seen by analysts as an indication of the changing nature of British television.

For example, analysts noted that two leading media investors, Robert Maxwell and Rupert Murdoch, separately are planning to launch commercial satellite television ventures.

"We have new media arriving in the U.K.," said Jane Anson, a leisure analyst for Barclays de Zoete Wedd Ltd. "People who have programming are well-placed," she added.

She said there could be "similar other moves ahead of 1992," when the European Community is to end all internal trade barriers.

Two French companies, Canal S.A. and Generale d'Images S.A., are to provide \$38.4 million toward the \$242.3 million cash portion of the MTM purchase. Each would hold 10 percent of Television South when the deal is completed. TV South said it would be renamed TVS Entertainment to reflect the new structure.

Compagnie Generale des Eaux S.A. holds a 90 percent interest in Generale d'Images and 21.6 percent of Canal. Canal operates the Canal Plus subscription television service in France, while Generale has a variety of French film and television interests, including film libraries.

Four owners of MTM, including Miss Moore, who is a co-founder, would jointly own 15 percent of TVS under the arrangement.

"The acquisition of MTM represents a major step forward in our strategy to meet a rising demand for programs," said James Gateward, chief executive of TVS.

The deal also would give TV South production capacity in the United States and potential access to American networks.

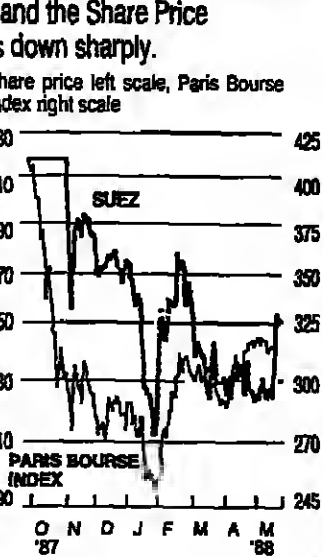
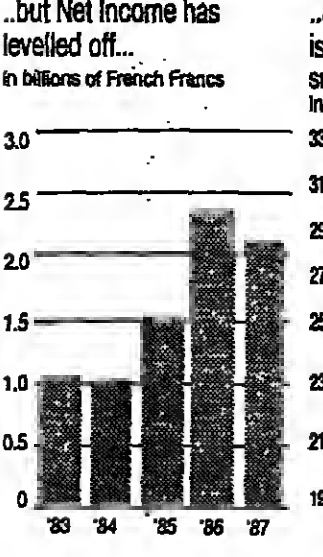
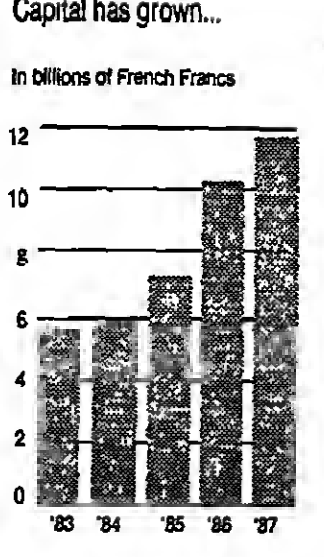
Besides its film library, MTM also has a 50 percent interest in CBS/MTM Co., a partnership whose main asset is a 40-acre production site with 17 studios in Los Angeles. Three more studios are under construction there.

MTM also has a controlling interest in MTM Ardmore Studios in the Irish Republic, with four studios, according to TVS.

MTM's pretax profit for the year ended May 31, 1988, amounted to \$43.8 million. Year-end net tangible assets were \$144.4 million. MTM began television operations in Los Angeles, where it is based, in 1970.

The Suez Group

Capital has grown... ..but Net Income has levelled off... ..and the Share Price is down sharply.



Bottom Line Still in Doubt for Suez With Generale Battle Ended, the War for Profits Begins

By Jacques Neher Special to the Herald Tribune

PARIS — Although Renaud de la Geniere has expressed satisfaction over the outcome of the six-month battle for control of Societe Generale de Belgique, there is neither time nor desire for jubilation.

"We now have to convince everyone, after the fact, of the sense of this investment," said Mr. de la Geniere, 63, who is the chairman of Compagnie Financiere de Suez, which, in a recent accord with the Italian financier Carlo de Benedetti, took effective control of Generale, a pillar of the Belgian economy.

Mr. de la Geniere indicated that Suez will directly pay about \$2 billion French francs (\$1.36 billion in cash and stock for Generale. In addition, Suez soon will have a majority stake in the holding company Sodocom SA, which paid about 2.5 billion French francs in subscribing to 12 million new Generale shares.

Sodocom is to purchase 6 million more shares from Mr. de Benedetti at a price of 5.3 billion



Renaud de la Geniere

French francs as part of the accord announced June 24.

Although Mr. de la Geniere said he hoped to recover some of that cash by reselling Generale's shares to major investors and onto the Brussels Bourse, the victory has not given Suez shareholders much to celebrate so far.

The stock of Suez, the parent company of Banque Indosuez and a host of financial, industrial and real estate holdings, has

tailed off slightly from 275 French francs a share when the accord was announced. On Wednesday it closed at 266.50, still far below the 317 paid by 1.6 million people who subscribed to the offering when the government privatized the company amid the stock market collapse in October.

Analysts are decidedly negative about Suez's chances of making Generale, a holding company with interests in more than 1,200 financial and industrial concerns, pay off in the foreseeable future.

"I'd recommend avoiding Suez," said Erich Daehler, banking analyst with the Phillips & Drew brokerage house in London. "It will take much longer to restructure this group of companies than Suez first thought, and I believe that profitability of Suez will suffer, at least for this year and next."

He projected a dilution in Suez's per-share earnings of 15 percent in 1988, when Generale's

See SUEZ, Page 11

GAF Is Charged With Fraud in Carbide Stock

The Associated Press NEW YORK — A U.S. grand jury indicted GAF Corp., two of its subsidiaries and its chief administrative officer Wednesday for the alleged manipulation of the price of Union Carbide Corp. common stock in 1986.

GAF made an unsuccessful hostile takeover bid for Union Carbide in 1985 and held out the threat of another attempt until it sold much of its holding in late 1986.

GAF confirmed last month that it was being investigated for possible securities law violations. On Wednesday, a spokesman said the charges were without merit and the company would defend itself vigorously.

The 10 count indictment charged GAF, its two subsidiaries — GAF Chemicals Corp. and Jay & Co. — and a GAF vice president, James T. Sherwin, with conspiracy, stock-price manipulation, securities fraud, wire fraud, causing the creation of false brokerage records and obtaining improper margin loans to finance stock purchases.

If convicted on all counts, Mr. Sherwin, 54, faces a maximum 50 years in prison and up to \$2.5 million in fines. The charges against the corporate defendants carry maximum fines of up to \$5 million each.

It was the first time a corporation had been charged with stock-price manipulation in the current insider-trading investigations.

The indictment alleges that the stock-price manipulation was accomplished through the Los Angeles-based brokerage firm of Jefferies & Co. The company's founder, Boyd Jefferies, pleaded guilty in March 1987 to two charges that arose from the Ivan F. Boesky insider-trading scandal.

The GAF indictment alleges that Mr. Sherwin, acting for the company, asked two Jefferies employees to make the price of Union Carbide stock close at or above a specified point over several days in late October 1986.

The indictment says Mr. Sherwin took this action on behalf of GAF to manipulate Union Carbide's stock price upward in order to create the impression among potential investors that the stock was increasing in value and to maximize the gain to GAF in the event of a sale of its block of Carbide stock, according to the assistant U.S. attorney, Carl Loewenson Jr.

The indictment further alleges that Mr. Sherwin promised Jefferies & Co. that GAF would make good any losses on such trades. At the time, GAF owned approximately 10 million shares, or 10 percent, of Carbide.

At Mr. Sherwin's request, Jefferies & Co. bought large amounts of Carbide stock near the close of trading on Oct. 29 and Oct. 30, 1986. According to the indictment, as a result of these purchases, the price of Carbide common stock increased. Jefferies & Co. lost money on the Carbide stock purchase.

The indictment says one of Mr. Sherwin's alleged accomplices at Jefferies & Co. sent him a \$40,000 invoice for fictitious advisory services. Mr. Sherwin allegedly approved payment of the invoice, and GAF prepared a check payable to Jefferies & Co.

On Nov. 10, 1986, GAF sold 5 million shares of Carbide stock to Salomon Brothers Inc. for nearly \$115 million.

According to the indictment, Mr. Sherwin never sent the \$40,000 GAF check to Jefferies. After the press reported that Boyd Jefferies, chairman of the brokerage, had been subpoenaed by the Securities and Exchange Commission in the Boesky investigation, Mr. Sherwin allegedly instructed his secretary to void the \$40,000 check.

Currency Rates

Table with columns for Currency, Par \$, and various exchange rates for major currencies like British Pound, West German Mark, etc.

Other Dollar Values

Table with columns for Currency, Par \$, and values for currencies like Australian Dollar, Canadian Dollar, etc.

Forward Rates

Table with columns for Currency, Par \$, and forward rates for various currencies.

Interest Rates

Table with columns for Eurocurrency Deposits, 1 month, 3 months, 6 months, 1 year, and interest rates.

Key Money Rates July 6

Table with columns for United States, Discount rate, Prime rate, Federal funds, etc., and their respective rates.

Asian Dollar Deposits July 6

Table with columns for 1 month, 3 months, 6 months, 1 year, and interest rates for Asian Dollar Deposits.

U.S. Money Market Funds July 6

Table with columns for Fund Name, Assets, and other financial metrics.

Gold July 6

Table with columns for A.M., P.M., and Gold prices.

OECD Tackles a Charged Issue: Pension and Welfare Reform

By Carl Gewirtz International Herald Tribune

PARIS — The title of the meeting, "Social Policies for the 1990's," could hardly be more innocuous, but the topic is political dynamite: an urgent need to reshape and, possibly scale back the pension and health benefits of the welfare state.

This is the focus of the first-ever meeting of ministers responsible for social policy by the 24 members of the Organization for Economic Cooperation and Development. The meeting opened here on Wednesday.

Key questions that will be debated by the ministers include: Should the infirm elderly be required to spend their life's savings, including home equity, before becoming eligible for long-term care at public expense? Should social security pensions provide only a flat minimum income unrelated to past earnings, leaving private pensions to make up the difference?

These are only two of many questions — there are no apparent answers yet — raised by the OECD's Secretariat in an effort to bring into the open the coming crunch on public spending in the early years of the 21st century.

A squeeze is inevitable because governments are already facing severe budget constraints. In addition, the spreading AIDS crisis will be eating ever deeper into public health care funds.

But the principal problem at the moment is the aging of populations — the elderly are living longer and the birth rate is lower. By the year 2020, it is projected that the over-65 group will make up 18 percent of the population, up from 13 percent in 1986.

Denmark, Finland, West Germany, Japan, Luxembourg, Sweden and Switzerland will be recording levels exceeding 20 percent. By 2040, which is as far ahead as the OECD looks, the over-65s will total 200 million, making up more than 20 percent of the total population in all the OECD states except Ireland and Turkey.

The secretariat notes that this projection is basically insensitive to alternative demographic scenarios and fertility, mortality and migration developments.

Assuming no change in the level of benefits, pensions alone will account for 20 percent of national income by 2040, compared with 10 percent to 11 percent between 1984 and 2000, it says.

The thrust of the studies is that spending priorities established in the 1950s and 1960s are now outdated and need to be redefined. Compared with 20 years ago — when to be old was likely to be poor — the elderly today "are no more likely than any other social group to be in poverty or in the lowest ranges of economic welfare," the report says.

The report questions whether — given the limit on public resources — retirement benefits have become too generous. In some cases, it says, "pension provision and other available resources are comfortable in excess of what is needed for adequacy." Such generosity cannot be sustained, it adds.

"The necessity for policy change is obvious, but not its precise dimensions," the report goes on. "There needs to be a clear definition of what the objectives of reform should be, what distribution of burden be-

tween working and retired population should be achieved." The secretariat stresses that the pattern of needs has changed since the 1960s.

Thus, while the position of the majority of old people has improved considerably, the secretariat notes that "adequate financial and social provision for the frail elderly" — defined as over 80 — will be one of the major challenges of coming decades.

The meeting is not intended to lay a blueprint for how to redirect public spending. Instead, by establishing that all OECD governments face the same spending constraints, the secretariat hopes to free politicians to begin talking about the problem so they can begin to deal with it.

On acquired immune deficiency syndrome, the OECD notes that the total cost of care for AIDS patients in the United States is projected to total \$16 billion in 1991.

This prompted the secretariat to question whether "these costs may need additional and separate financing" from the budget of public health services.

Air France Criticized on U.S. Hotels

The Associated Press PARIS — The French government's accounting office has accused the Meridien hotel chain, a wholly owned subsidiary of the state-run airline Air France, of bad management of its U.S. properties.

The report, which says the airline considers getting out of the hotel business, says the financial performance of the three hotels was disappointing

from the start, and the principal partner indicated he wanted to cash in his share in the venture, the report said.

To save face and to maintain the image of the subsidiary, Air France was obliged to buy out the investor's shareholdings through another of the subsidiaries for \$47 million. The unforeseen investment represented more than half of the airline's 1986 profit.

OB I - YEN Société d'Investissement à Capital Variable R.C. Luxembourg B 26193 AVIS AUX ACTIONNAIRES Convocation

Nous vous prions de bien vouloir assister à l'Assemblée Générale Ordinaire de OB I - YEN, Société d'Investissement à Capital Variable, qui sera tenue au siège social, 10A, Boulevard Royal, Luxembourg, le Mardi 19 juillet 1988 à 11 heures et qui aura l'ordre du jour suivant:

- 1. Recevoir et adopter le rapport de gestion du Conseil d'Administration pour l'exercice clos le 31 mars 1988. 2. Recevoir et adopter le rapport du Commissaire pour l'exercice clos au 31 mars 1988. 3. Recevoir et approuver les comptes annuels arrêtés au 31 mars 1988. 4. Arrêter la répartition bénéficiaire de la Société. 5. Donner quitus aux Administrateurs et au Commissaire pour l'accomplissement de leur mandat jusqu'au 31 mars 1988. 6. Renouveler le mandat des Administrateurs et du Commissaire pour un terme d'un an devant expirer à la prochaine Assemblée Générale Ordinaire des Actionnaires. 7. Divers

Les actionnaires nominaux inscrits au registre des actionnaires à la date de l'Assemblée seront autorisés à voter ou à donner procuration en vue du vote. Les procurations doivent parvenir au siège social au moins 24 heures avant la réunion. La présente convocation et une formule de procuration ont été envoyées à tous les actionnaires inscrits au 27 juin 1988. Des formules de procuration sont disponibles sur demande au siège social de la Société.

Pour le Conseil d'Administration J. Pierson Directeur Général

BUSINESS SCHOOL LAUSANNE

SATURDAY M.B.A. Computer & information systems Next course starts August 6, 1988.

Contact: Admissions Officer 38 av. du Champ de Mars, CH-1002 Lausanne, Switzerland. Tel. 021/27 38 33.

CORUM advertisement featuring a watch image and text: "Designs on time Individually made with a degree of skill and care that belongs to a former time, Corum Watches carry design into the future. The Admiral Quattro epitomises this with the distinctive feature of four small dials showing the day, date, month and cardinal points of the compass. The strong and virtually scratchproof tungsten-carbide links that make up the bracelet are fastened together with solid gold bolts." Includes contact information for Corum in Switzerland.



NYSE Most Actives table with columns: Vol, High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 p.m. volume, AMEX 4 p.m. volume, etc.

NYSE Index table with columns: High, Low, Close, Chg.

Wednesdays NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Date, Prev., Chg.

NASDAQ Index table with columns: Close, Prev., Chg.

AMEX Most Actives table with columns: Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Close, Chg.

NYSE Diary table with columns: Close, Prev., Chg.

Odd-Lot Trading in N.Y. table with columns: Buy, Sell, % of 100

Dow Jones Averages table with columns: High, Low, Last, Chg.

Standard & Poor's Index table with columns: High, Low, Close, Chg.

NASDAQ Diary table with columns: Close, Prev., Chg.

AMEX Stock Index table with columns: High, Low, Close, Chg.

N.Y. Stocks End Sharply Lower

NEW YORK — Prices closed sharply lower on the New York Stock Exchange Wednesday in active, program-driven trading...

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Table of stock prices with columns: 12 Month High, Low, Stock, Div. Yld. P/E, etc.

Irving Bank advertisement: By Alison Leigh...

SUEZ: The E... advertisement: (Continued from first finance...)

Norwegian Sign... \$1 Billion Pact... For Luxury Line... advertisement: OSLO — A Norwegian ship...

Abold of Netherlands... Names New President... advertisement: NEW YORK — Abold N...

DP America Growth Fund advertisement: Weekly net... value on...

Handwritten Arabic text: هكذا من العجل



BUSINESS ROUNDUP

Irving Accepts Sweetened BCI Bid

By Alison Leigh Cowan
NEW YORK — The directors of the Irving Bank Corp. have agreed to accept an improved takeover offer from a friendly suitor, Banca Commerciale Italiana...

The new offer was presented Tuesday by Felix G. Rohatyn, the investment banker at Lazard Frères & Co. who is advising Banca Commerciale...

Irving said Tuesday that the addition to the Banca Commerciale offer increases significantly the value of the package...

62.5 cents to \$70.75 a share in Wednesday afternoon trading on the New York Stock Exchange...

Goldman, Sachs & Co. assigned an initial value to the warrants of \$2.75 to \$4.50 a share, and J.P. Morgan & Co. indicated a range of \$3.25 to \$4.93.

Irving executives defended the right of Irving's board to accept the higher estimates...

The price of a warrant, as a type of long-term option, is a function of several clear-cut factors, such as the exercise price and the duration of the contract...

Bank of New York and some banking analysts challenged the assertions as to the value of the proposed warrants.

"Given that Irving's own advisers, Goldman, Sachs and J.P. Morgan, were a lot lower than the Lazard numbers, you have to view the Lazard numbers with skepticism," said Mark Lynch...

Irving said Tuesday that the addition to the Banca Commerciale offer increases significantly the value of the package...

PARIS — BSN, France's largest food company, bought the makers of two major British condiments, Worcester-shire and HP sauces...

Irving executives defended the right of Irving's board to accept the higher estimates...

The price of a warrant, as a type of long-term option, is a function of several clear-cut factors, such as the exercise price and the duration of the contract...

Bank of New York executives, who said their advisers at Morgan Stanley & Co. only value the warrants at 19 to 38 cents each, also questioned whether the competing offer, conditional on a current rights plan, would still be valid if a New York judge invalidated a challenged feature of Irving's anti-takeover measure.

"If by any chance the judge lifts the poison pill tomorrow, does that mean the BCI offer regarding these warrants is withdrawn?" asked Owen Brady, a Bank of New York spokesman.

Bank of New York currently is offering Irving shareholders 1.575 Bank of New York shares and \$15 in cash, but the rebuffed suitor, describing its "best and final offer," also told the judge last week that it might restore an earlier higher bid, depending on the litigation.

French Enter British Market Via Kitchen

PARIS — BSN, France's largest food company, bought the makers of two major British condiments, Worcester-shire and HP sauces...

Irving executives defended the right of Irving's board to accept the higher estimates...

The price of a warrant, as a type of long-term option, is a function of several clear-cut factors, such as the exercise price and the duration of the contract...

Bank of New York executives, who said their advisers at Morgan Stanley & Co. only value the warrants at 19 to 38 cents each, also questioned whether the competing offer, conditional on a current rights plan, would still be valid if a New York judge invalidated a challenged feature of Irving's anti-takeover measure.

Senator Urges Inquiry Into TWA's Aging Fleet

NEW YORK — Senator John B. Breaux, Democrat of Louisiana, has asked for an investigation into Trans World Airlines Inc.'s aging fleet of airliners and its financial and operating practices.

Mr. Breaux said he was urging the investigation to determine whether TWA's rising debt level, its dropping investment in new planes and related problems may be affecting safety.

He sent the request to Senator Wendell H. Ford, Democrat of Kentucky, who is chairman of the subcommittee on aviation of the Committee on Commerce, Science and Transportation...

Mr. Breaux said TWA's financial condition had worsened since it was taken over in 1985 by Carl C. Icahn, a New York-based investor who also is a major stockholder in Texaco Inc. The oil company, which has been resisting Mr. Icahn's advances, has significant holdings in Louisiana.

Stephen Slade, TWA vice president for government affairs, said the letter "seems to parrot some materials which appeared in advertisements by Texaco toward the end of the proxy fight between Icahn and that company."

Mr. Breaux said, "At the time of the hostile takeover of TWA in 1985, allegations were made that Mr. Icahn would dangerously over-leverage the company, with a resulting decay in the capital investment necessary to operate safely and efficiently in today's market. The record suggests that these were not idle concerns."

In his letter, dated June 30, Mr. Breaux said that TWA's debt rose to \$2.3 billion last year, or 90 percent of total capital, from \$1.3 billion, or about 71 percent of capital, at the end of 1985.

Investment in new aircraft fell to \$39 million last year from an average of \$203 million a year in the three years before Mr. Icahn's takeover, Mr. Breaux said.

The TWA fleet, more than 14 years old on average, is the oldest in the airline industry, he said. He cited reports of serious violations of federal safety standards, and he also noted long hours worked by TWA mechanics.

"These reports and allegations are of a serious nature," Mr. Breaux added. He said an investigation should consider whether Mr. Icahn's attempts to take over other companies puts further financial strain on TWA.

Mr. Slade said that TWA would have 11 aircraft on order by the end of July and was negotiating with major manufacturers to place a substantial aircraft order within the next 60 days.

Eastern And Its Unions Reach Accord on Safety

WASHINGTON — Government officials announced on Wednesday an agreement between Eastern Air Lines' unions and management, designed to ease labor tensions and enhance safety.

Under the pact, a series of committees will be set up to hear grievances and to handle disputes over safety procedures.

Mr. de la Genière said he saw no problem in working constructively on Générale's board with Mr. de Benedetti, the man he has fought since January. "I don't let emotions interfere with business relations," he said. "We can now take up the course of cooperation."

Some observers said they believed that Mr. de Benedetti would try to withdraw further from his investment in Générale when he has the chance.

The accord between the two parties stipulated that Suez would increase its ties to Mr. de Benedetti by subscribing to a new capital increase by Cerus SA, his French holding company of which Suez already owns about 10 percent.

However, a Suez source said the announcement was "only for show" and that the agreement actually calls for Mr. de Benedetti to buy back those new shares within six months.

SUEZ: The Battle for Générale Has Ended, but Issue Remains in Doubt on the Profit War

(Continued from first finance page) results are expected to be fully consolidated into Suez accounts, and a further dilution of 5 percent to 10 percent next year.

Mr. de la Genière brushed aside market opinions. "If they want to buy our stock later, when the price is higher, that's their problem," he said.

He would not hint as to the acquisition's possible dilution of consolidated group earnings, which is a measure widely used in evaluating shares of financial stocks such as Suez.

"I don't have the habit of predicting numbers I don't know," he said, explaining that while most of Générale's holdings improved in the first half, he will not have a clear picture of the group until later this fall.

Générale's profits fell 22 percent in 1987 to 4.14 billion Belgian francs (\$108.4 million) at the consolidated earnings rate. Suez's consolidated earnings last year fell 10 percent to 2.13 billion French francs, reflecting in part the effect of last October's market fall on its portfolio.

Mr. de la Genière said there would be no dilution effect on the parent-company earnings, explaining that Suez this year will receive

140 million French francs in dividend income from Générale which will offset a 30 percent increase in Suez's share capital. Parent-company earnings in 1987 rose 7.6 percent to 425 million French francs, and the company last week increased its dividend to 6 francs a share from 4.6 francs.

Last Tuesday, Suez shareholders He said he viewed Générale not only as an investment through which Suez can draw bigger dividends by working to boost its earnings, but also as a source of marriage of joint venture partners for Suez's other holdings, particularly in utilities, banking and communications.

He envisioned new ties between broadcasting satellite, scheduled for launch in November. Suez has indirect holdings in cinema, advertising and book publishing.

The possibilities for ventures in communications would multiply if Robert Maxwell, the British publisher, decides to buy into Générale. Mr. de la Genière confirmed reports that Mr. Maxwell was negotiating to buy a 10 percent to 14 percent stake.

Suez will not have an easy time forging alliances, analysts said, because Générale has only minority positions in most of the large companies under its umbrella and thus would need to win approval from other significant shareholders for such moves.

"Suez will have to convince third-party shareholders, who will always be suspicious that Suez is acting in its own interest," predicted Mr. Daehler.

Lyonnaise des Eaux, the water utility of which Suez owns 19 percent, and Tractebel, a Générale holding active in electrical energy and gas distribution; and between Banque Indosuez, a wholly owned investment-banking subsidiary, and Générale de Banque, the largest retail bank in Belgium.

In the communications sector, Générale has interests in cinema distribution, cable television, the Luxembourg television broadcaster Compagnie Luxembourgeoise de Télédiffusion and the Astra direct-

It will take much longer to restructure this group of companies than Suez first thought, and I believe that profitability will suffer, at least for this year and next.

Erich Daehler, analyst with Phillips & Drew, authorized the issuance of new shares and warrants following a convertible bond issue in April 1987 to 4.14 billion Belgian francs (\$108.4 million) at the consolidated earnings rate. Suez's consolidated earnings last year fell 10 percent to 2.13 billion French francs, reflecting in part the effect of last October's market fall on its portfolio.

Mr. de la Genière, who came to Suez two years ago from a career in government financial administration, most recently as governor of the Bank of France, said it would take two to three years to restructure Générale.

Norwegian Signs \$1 Billion Pacts For Luxury Liner

OSLO — A Norwegian shipping executive, Knut Kloster, has signed preliminary contracts, worth about \$1 billion, with four West German shipyards to build a luxury cruise liner to be named the Phoenix.

The shipyards are Howaldtswerke Deutsche Werft AG, Bremer Vulkan AG, Blohm and Voess AG and Thyssen Nordseerwerke GmbH. Mr. Kloster signed the contracts for the 250,000-ton ship in Hamburg, a representative of the executive said.

The liner, to be completed by 1992, is to ply lucrative Caribbean cruise routes with a crew of 1,800 and space for 5,600 passengers.

Designs for the vessel show three eight-deck towers with cabins that would normally be below decks. "The aim is to liberate people from the constraints of the hull," Mr. Kloster said.

Mr. Kloster, the third-generation head of a family company, has set up an international consortium to finance the project with a combination of loans and stock issues.

Ahold of Netherlands Names New President

NEW YORK — Ahold NV, the largest food retailer in the Netherlands, has named Pierre J. Everaert, head of its U.S. unit, as its next president. Mr. Everaert, 49, is to succeed Albert Heijn on Sept. 1, 1989, when Mr. Heijn reaches 62, Ahold's mandatory retirement age.

Mr. Heijn's grandfather, who had the same name, founded the company in 1887 as a grocery store in Oostzaan. Mr. Everaert would be the first non-Heijn to run the company, which is now based in Zaandam. Ahold has annual revenue of about \$8 billion, half of which is from the United States.

Weekly net asset value on 1-7-1988 U.S. \$23.13 Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson NV, Herengracht 214, 1016 BS Amsterdam, Tel. +31-20-211188.

IN THE LAST 5 YEARS, HOW MUCH MONEY DID YOUR MONEY MAKE?

51%? If you'd kept US\$ 5,000 in a 6-month dollar deposit account for the 5 years ending 31st May 1988, it would have grown to US\$ 7,550.

Or 135%? But if you'd allowed the Robeco Group to really put your money to work by investing that same sum in its four investment companies over the same period, it would have grown to a much more attractive US\$ 11,755\*.

Choose more growth. That's over two-and-a-half times more growth for your money. And although past performance isn't a guarantee of future returns, it's a good indication of what Robeco's responsible, long term investment policy, combined with a global outlook, can achieve.

Find out more. You can have easy access to the Robeco Group's investment strength through a Robeco Geneva Account. The minimum investment is only US\$ 5,000 or equivalent, so send us the coupon today and we'll show you just how much more money your money can make.

The Quarterly Report as of 31st March 1988 has been published and may be obtained from: Pierson, Holding & Pierson NV, Herengracht 214, 1016 BS Amsterdam, Tel. +31-20-211188.

INTERNATIONAL POSITIONS

PROJECT DIRECTOR Required for a large Public Park project. A reputed group of companies urgently require a Project Director for one of their very prestigious projects in Dubai (UAE).

MATERIALS MANAGER Engineer with 5 years experience in multinational industrial company. MBA or ICG or IAE. Good knowledge of MRP/DRP systems. Able to communicate and work on team basis based on several European locations.

INTERNATIONAL POSITIONS

THE BANK FOR INTERNATIONAL SETTLEMENTS an International Institution in Basel, Switzerland, invites applications from ECONOMISTS to fill a vacancy in its Monetary and Economic Department.

Personnel Manager Bank for International Settlements 4002 Basel, Switzerland.

The Walt Disney Company. European MIS Manager Mid Range - PC Systems Paris. The Walt Disney Company, subsidiary of Walt Disney Corporation, employing 30 people in Paris, requires a young well qualified professional specialist in both PC and mid range systems.

Attractive career alternative for a bright young business editor, writer or translator:

EDITOR in the Düsseldorf editing section of McKinsey and Company, Inc., International Management Consultants. She/he will work closely with consultants on structuring, writing and translating reports and presentations in German and English.



Wednesdays NYSE Closing

Table listing NYSE closing prices for various stocks, including columns for stock name, price, and change.

Table listing NYSE High-Lows for various stocks, including columns for stock name, high, low, and change.

Table listing AMEX High-Lows for various stocks, including columns for stock name, high, low, and change.

Table listing Company Results for various companies, including columns for company name, revenue, and profit.

EUROBONDS BY CARL GEWIRTZ. IN THE NYT EVERY MONDAY, PLUS A WEEKLY LISTING OF EUROBOND PRICES.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks (Continued).

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

Table listing 12 Month High/Low/Close for various stocks.

U.S. Futures Via The Associated Press

Table listing U.S. Futures prices for Grains, including wheat and corn.

Table listing U.S. Futures prices for Soybeans and Soybean Meal.

Table listing U.S. Futures prices for Lumber and Cattle.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Cattle and Hogs.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Oil and Gas.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

Table listing U.S. Futures prices for Gold and Silver.

State-Of

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Text discussing state-related news or events.

Sales of U.S. Cars Rise By 11.5% in First Half

Article discussing the increase in U.S. car sales during the first half of 1988, mentioning Detroit and various manufacturers.

Paris Commodities

Table listing Paris Commodities prices for various goods.

London Commodities

Table listing London Commodities prices for various goods.

S&P 100 Index Options

Table listing S&P 100 Index Options prices.

London Metals

Table listing London Metals prices for various metals.

Dividends

Table listing Dividends for various companies.

Spot Commodities

Table listing Spot Commodities prices for various goods.

DM Futures Options

Table listing DM Futures Options prices.

U.S. Treasuries

Table listing U.S. Treasuries prices.

U.S. Bank Sells Eurobond Unit

Article discussing the sale of a Eurobond unit by a U.S. bank.

Ad by Gillette Ruled Misleading

Article discussing a misleading advertisement by Gillette.

Vertical sidebar containing various advertisements including 'State-Of', 'REAL ESTATE TO RENT-LEASE', 'EMBASSY SERVICE', 'INTERNATIONAL ESCORT SERVICE', 'LONDON KENSINGTON', 'PARIS AREA FURNISHING', 'ESKORTS & GUIDES', 'LONDON ESCORT SERVICE', 'LONDON Escort Agency', 'MADRID', and 'SAFIRE IN THE NYT EVERY MONDAY'.



BUSINESS ROUNDUP

2 State-Owned British Companies Report Gains

LONDON — Two of the remaining state-owned British companies reported sharply improved earnings statistics on Wednesday...

British Steel to be brought to the forefront of the privatization program in the present Parliament...

firm the government's view that the company is now ready for a return to the private sector...

which is formally known as the British Railways Board. "By any standards it was a very successful year..."

B.Ae Says It Has Sold 8 More Turboprops

LONDON — British Aerospace PLC reported the second purchase in as many days of its previously slow-selling advanced turboprop aircraft...

Bonn Agrees to Higher Subsidy for Airbus

BONN — West German government officials have agreed to more than double the subsidy to the Airbus program...

which gives U.S. aircraft makers a pricing advantage. Government subsidies to Airbus have drawn sharp U.S. criticism.

The subsidy is expected to be endorsed by the cabinet Thursday. Also on Wednesday, the European Community's executive commission...

GT US SMALL COMPANIES FUND SICAV

Registered Office: 2 Boulevard Royal, 2953 Luxembourg. R.C. Luxembourg B-25176. Notice is hereby given to the shareholders...

BADRUTT'S PALACE HOTEL MORITZ. Summer season 1988 July 2 - September 4. Restaurant - Grill-room. Acapulco snack bar with terrace restaurant...

Table with 12 columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Change. Includes AMEX Closing section.

Table with 12 columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Change. Continuation of market data.

REAL ESTATE TO RENT/SHARE. GREAT BRITAIN. MAYFAIR. Short let luxury serviced apartments in the heart of London...

INTERNATIONAL CLASSIFIED. REAL ESTATE TO RENT/SHARE. PARIS AREA UNFURNISHED. NEUILLY GUILLET. Near bridge and metro...

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 6th July 1988

Large table listing international funds with columns for fund name, currency, and price. Includes sub-sections for AMERICAN FUNDS, EUROPEAN FUNDS, etc.

ESCORTS & GUIDES. ARISTOCATS. London Escort Service. 3 Shaftesbury Street, London W1. All major credit cards accepted.

ESCORTS & GUIDES. SHADOWS. Vienna Escort Service 56 86 84. AMSTERDAM 3000 Escort Service. All credit cards accepted.

ESCORTS & GUIDES. MADRID 3000 Escort Service. All credit cards accepted. MADRID 3000 Escort Service. All credit cards accepted.

SAFIRE IN THE IHT EVERY MONDAY — IN DEFENSE OF THE ENGLISH LANGUAGE AND ITS PROPER USAGE

Handwritten signature or mark at the bottom center of the page.



### Wednesday's AMEX Closing

Tables reflect the national prices as to the closing on Wall Street and do not include late trades elsewhere.

12 Month High	Low	Stock	Div. Yld. PE	52-Week High	Low	Close	Change
12.00	11.00	IBM	4.0	115	114	114	+1
12.00	11.00	SPY	3.0	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1

12 Month High	Low	Stock	Div. Yld. PE	52-Week High	Low	Close	Change
12.00	11.00	IBM	4.0	115	114	114	+1
12.00	11.00	SPY	3.0	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1

12 Month High	Low	Stock	Div. Yld. PE	52-Week High	Low	Close	Change
12.00	11.00	IBM	4.0	115	114	114	+1
12.00	11.00	SPY	3.0	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1

12 Month High	Low	Stock	Div. Yld. PE	52-Week High	Low	Close	Change
12.00	11.00	IBM	4.0	115	114	114	+1
12.00	11.00	SPY	3.0	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1

12 Month High	Low	Stock	Div. Yld. PE	52-Week High	Low	Close	Change
12.00	11.00	IBM	4.0	115	114	114	+1
12.00	11.00	SPY	3.0	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1

12 Month High	Low	Stock	Div. Yld. PE	52-Week High	Low	Close	Change
12.00	11.00	IBM	4.0	115	114	114	+1
12.00	11.00	SPY	3.0	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1

12 Month High	Low	Stock	Div. Yld. PE	52-Week High	Low	Close	Change
12.00	11.00	IBM	4.0	115	114	114	+1
12.00	11.00	SPY	3.0	115	114	114	+1
12.00	11.00	MSFT	2.0	115	114	114	+1
12.00	11.00	ORCL	1.0	115	114	114	+1
12.00	11.00	INTL	0.5	115	114	114	+1
12.00	11.00	DISC	0.5	115	114	114	+1
12.00	11.00	WMT	0.5	115	114	114	+1
12.00	11.00	AMZN	0.5	115	114	114	+1
12.00	11.00	GOOG	0.5	115	114	114	+1



## CLUB EUROPE. THE BUSINESSMAN'S TIME MACHINE.

We understand that the most precious commodity for you is time. With Club Europe your whole travel experience will become smoother and more efficient, allowing you to maximise your working day. Fly Club Europe and make every second count.

... CLUB ... EUROPE ...

### GT UK SMALL COMPANIES FUND SICAV

Registered Office: 2, boulevard Royal 2953 LUXEMBOURG B.C. Luxembourg B-25668

Notice is hereby given to the shareholders that the ANNUAL GENERAL MEETING of shareholders in GT UK SMALL COMPANIES FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L-2953 Luxembourg, on Friday, July 15, 1988 at 9:00 a.m. with the following agenda:

- To consider and approve the Reports of the Board of Directors and of the Statutory Auditor.
- To approve the Statement of Net Assets and the Statement of Operations as at 31 March, 1988.
- To discharge the Directors and the Statutory Auditor with respect of their performance of duties for the year ended 31 March, 1988.
- To elect the Directors and appoint the Auditor.
- Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting. In order to attend the meeting on 15 July, 1988 the owners of bearer shares will have to deposit their shares in clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg, 2, Boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

### Floating-Rate Notes

Issuer/Mat.	Coupon	Next	Bid	Ask
Alaska Power Corp	7.63	10/01/93	97.41	
Albergo	7.00	12/15/93	100.00	
American Electric	8.00	10/01/93	97.41	
Amstar	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	

### Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Ask
Albergo	7.00	12/15/93	100.00	
American Electric	8.00	10/01/93	97.41	
Amstar	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	

### Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Ask
Albergo	7.00	12/15/93	100.00	
American Electric	8.00	10/01/93	97.41	
Amstar	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	

### Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Ask
Albergo	7.00	12/15/93	100.00	
American Electric	8.00	10/01/93	97.41	
Amstar	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	

### E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Ask
Albergo	7.00	12/15/93	100.00	
American Electric	8.00	10/01/93	97.41	
Amstar	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	

### Weekly net asset value

Issuer/Mat.	Coupon	Next	Bid	Ask
Albergo	7.00	12/15/93	100.00	
American Electric	8.00	10/01/93	97.41	
Amstar	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	
Boji	8.00	10/01/93	97.41	

### Currency Market

## Dollar Lower

The dollar fell on Wednesday, as the generally small declines in technical predictions of a big rally in New York and active trading in the money market helped the dollar without participants. Many market participants say they expect the dollar to stay above its current levels until the Federal Reserve releases its trade report on July 15. The announcement is scheduled for July 15.

Earlier in London, the dollar fell below the level of 1.825 on Tuesday and dropped to 1.750 on Wednesday. The dollar "still has a long way to go before it can be considered a U.S. bank dealer's dream."

Since mid-June the dollar has gained around 7 percent against major currencies. It has been boosted by the belief that the U.S. trade position is improving, and that Washington wants the dollar to strengthen as the U.S. presidential



CURRENCY MARKETS

Dollar Lower in Trendless Trading

NEW YORK — The dollar edged mostly lower on Wednesday, but the generally small declines defied technical predictions of a bigger drop. Dealers in New York said activity was choppy and directionless, with the unwinding of large long short-term positions helping the dollar withstand sales.

Table with columns: Country, Unit, Rate, % Change. Includes entries for Deutsche mark, Japanese yen, Swiss franc, French franc.

The dollar fell in New York on Tuesday, which seemed to indicate the beginning of that reversal, but in Europe on Wednesday, bullish sentiment surfaced, and the U.S. unit then rose from early lows on short-covering, dealers said.

Several dealers said they expected the dollar to range from 1.80 to 1.83 DM and from 132 to 135 yen over the next week. Fear of central bank intervention has sapped dollar strength this week, and dealers said the West German central bank twice sold the U.S. currency on the open market Wednesday. They said the sales came when the dollar was valued at 1.8213 DM and 1.8235 DM.

Taiwan Reserves Decrease

TAIPEI — Taiwan's foreign currency reserves fell sharply to about \$70 billion this week and are likely to drop further, central bank officials said Wednesday. "We expect further falls in our currency reserves," said the governor of the central bank, Chang Chi-cheng.

Analysts Think Long Rise of New Zealand Dollar Is Over

WELLINGTON, New Zealand — The long rise of the New Zealand dollar, which has attracted investors from all over the world since it began its ascent two years ago, appears to be over, currency dealers and economists said. According to the analysts, the currency's long run-up is about to falter on falling interest rates, sharply reduced inflationary expectations and slow economic growth.

The economist agreed. "Monetary policy isn't tight; it's extraordinarily tight," he said. "We are disinflating at an extraordinary rate." He noted the Reserve Bank had already engineered a fall in short-term rates through its open market operations. Recent bullish sentiment for the U.S. dollar means some of the inflows to New Zealand may be reversed.

World Bank Warns of a Global Recession

WASHINGTON — The World Bank warned Wednesday of the possibility of a global recession and increasing volatility in financial markets unless leading industrial nations improve their economic policies. In a largely pessimistic assessment, the bank said that "without significant changes in these policies, the present economic uncertainty may soon be followed by a worldwide recession."

proved cooperation had reduced the immediate threat, but said that underlying problems remained. "Large international imbalances persist, and there is a risk of further volatility in stock markets, exchange rates and interest rates," the report said. The bank proposed a three-point remedial strategy: Leading industrial countries must persevere in their policies designed to reduce trade and budget imbalances; developing countries must reform their economies even if the international economic environment is unfavorable, and more outside funds must be made available to debtor countries.

Earlier in London, the dollar edged lower on the day but above weak opening levels. It fell to 162.20 DM from 1.8237 on Tuesday, and it dropped to 133.60 yen from 134.20. "Nonetheless, the dollar still looks well bid, despite all the technical signs that say it is due for a correction," a U.S. bank dealer said. Since mid-June the dollar has gained around 7 percent against major currencies. It has been boosted by the belief that the U.S. trade position is improving, and that Washington wants the dollar to strengthen as the U.S. presidential

INSIDER: Scandal Touches Political Circles in Japan

(Continued from page 1) problems from causing problems for the company," the spokesman said. The Nihon Keizai group publishes a string of financial newspapers and magazines and operates a global financial information service. It also prints The Tokyo Journal, of the Wall Street Journal.

But critics have charged that those involved with the transactions had committed "morally insensitive" acts, in the words of one political analyst. Parliament this year passed new laws to clamp down on insider trading on Japanese sharemarkets. The politicians named by Asahi Shimbun said they knew little or nothing about the stock transactions of their aides and that in any case, it did not involve them. An official in Mr. Nakasone's office said that two of the former prime minister's aides had been allowed to buy the Recruit Cosmos stock "by the good will" of an unnamed third party, but that the transactions had "nothing to do with Nakasone."

(Continued on next page)

Wednesday's OTC Prices

NASDAQ prices as of 4:30 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg. Lists various stocks like AEW, ADCs, AIG, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.

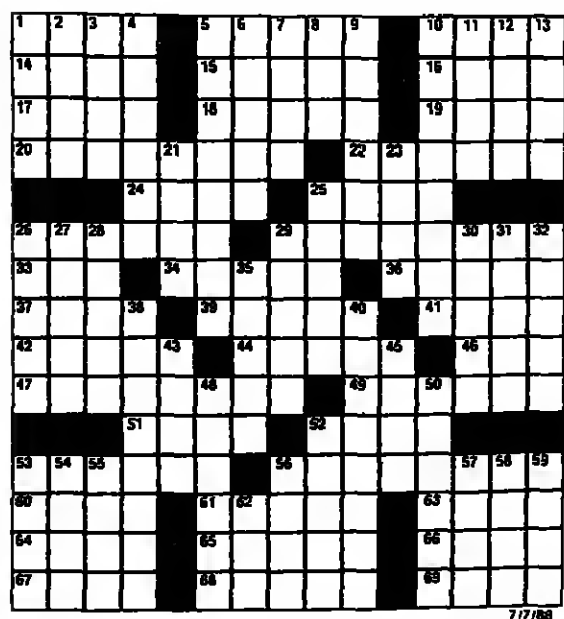
Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.

Table with columns: 12 Month High, Low, Stock, Div. Yld., % Chg., P/E, Vol., Last, High, Low, Close, % Chg.





- ACROSS**
- Boston
  - Orchestra
  - Oklahoma Indian
  - Cloudlike aggregation
  - Tree (equivalently)
  - Early Soviet leader
  - Rialto org.
  - Author Ursula
  - Sea duck
  - Hardwood tree
  - Trees that grow in wetlands
  - Quebec's Levesque
  - Culture medium
  - Slow down
  - Make-believe
  - Sei's mother
  - Singer
  - Haggard
  - African antelope
  - The 47th, for short
  - Short in "Giant"
  - Kind of rug
  - Runs in neutral
  - Concerning
  - Haw instrument
  - Cooperative effort
  - Oxford's river
- DOWN**
- 1 Tropical tree
  - 2 Olive genus
  - 3 "Wine"
  - 4 A spouse in Sevilla
  - 5 Poisonous shrub
  - 6 Net on a schooner
  - 7 Williams or Griffith
  - 8 Give in Glasgow
  - 9 Infuriate
  - 10 Lathes spin
  - 11 Arrow poison
  - 12 Suffix with young or old
  - 13 Sticky substances
  - 21 Bacterium
  - 22 Recent
  - 23 Valor
  - 24 Pardon
  - 27 Induction-motor inventor
  - 28 Platform part
  - 30 Old Testament book
  - 31 Racer, e.g.
  - 32 Flanges
  - 33 Rises
  - 38 Trees used in tanning
  - 40 Sticky-tongued mammal
  - 43 Graceful bird
  - 44 She blows!
  - 45 Mandates
  - 46 Gone up
  - 52 Struck
  - 53 Nautical cry
  - 54 Like some excuses
  - 55 Big butte
  - 56 Indigenous Japanese
  - 57 Stringed instrument
  - 58 Norman of TV
  - 59 Lyrbach
  - 62 Grassland

PEANUTS



BLONDIE



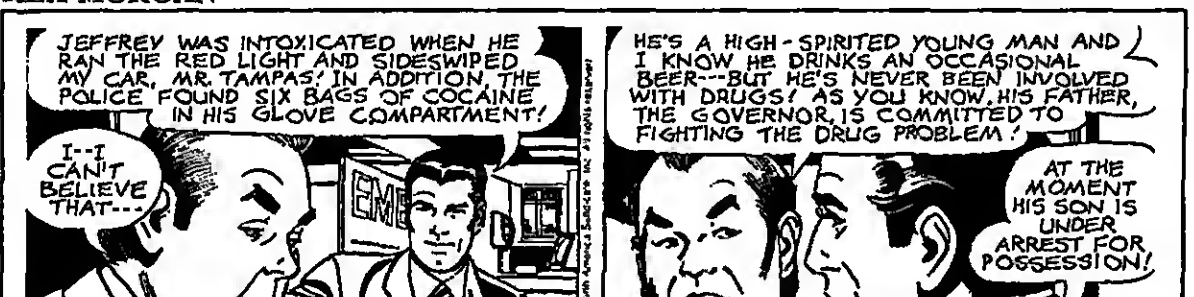
BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

JOHN CHEEVER: A Biography

By Scott Donaldson. Illustrated. 416 pages. \$22.50. Random House, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Michiko Kakutani

"A WRITER can be seen clumsily learning to walk to tie his ocktie, to make love, and to eat his peas off a fork." John Cheever wrote in the preface to his collected stories.

"He appears much alone and determined to insulate himself. Naive, provincial in his case, sometimes drunk, sometimes obese, almost always clumsy, even a selected display of one's early work will be a naked history of one's struggle to receive an education in economics and love."

Throughout Cheever's work, of course, there are constants to be found: "A love of light and a determination to trace some moral chain of being," as he once put it, as well as an abiding compassion for those exiles from "a lost world," when "you heard the Benny Goodman quartet from a radio in the corner stationery store, and when almost everybody wore a hat."

Afflicted with nostalgia and recurrent bouts of memory and desire, his characters stagger uncertainly through a changing world, looking for the old-fashioned virtues of beauty and love but often succumbing instead to drink, divorce and other modern confusions.

Yet if Cheever's characters tend to share certain concerns and habits (New York City and the suburbs in Connecticut and Westchester), their creator's work, as a whole, also traces an emotional arc, a curve of spiritual growth and maturation.

A note of sadness grows increasingly insistent in the stories, and the sunlit if shadowed world of "The Wapshot Chronicle" (1957) gives way to the more violent landscapes of "The Wapshot Scandal" (1964) and "Bullet Park" (1969), and finally to the dark but radiant vision of "Falconer" (1977).

What Scott Donaldson, the author of earlier studies of Ernest Hemingway and F. Scott Fitzgerald, proposes to do in his new biography of Cheever is to illuminate the life behind the work, to "begin to understand," as he puts it, the man who John Updike said wrote "as with a quill from the wing of an angel." Unfortunately, he is only intermittently successful.

A note of sadness grows increasingly insistent in the stories, and the sunlit if shadowed world of "The Wapshot Chronicle" (1957) gives way to the more violent landscapes of "The Wapshot Scandal" (1964) and "Bullet Park" (1969), and finally to the dark but radiant vision of "Falconer" (1977).

What Scott Donaldson, the author of earlier studies of Ernest Hemingway and F. Scott Fitzgerald, proposes to do in his new biography of Cheever is to illuminate the life behind the work, to "begin to understand," as he puts it, the man who John Updike said wrote "as with a quill from the wing of an angel." Unfortunately, he is only intermittently successful.

Again and again in this volume, Donaldson contrasts the regularity of Cheever's domestic world ("the fine house, the well-kept grounds, the family heirlooms") with his inner turmoil, his attempts, during the 1970s, to escape the confinement represented by his marriage and the genteel conventions of an upper-middle-class life.

The disappointment and fear lurking beneath the well-groomed facade of suburban life, of course, was one of the recurrent themes of the author's own fiction, and given that shortcoming of this biography, the reader turns back eagerly to Cheever's own magical and transforming prose.

Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott

SOME recent history may be on the minds of some American players next year. Those who win the Spingold Knockout Teams in Salt Lake City in July may end up representing the United States in the 1989 World Team Championship in Perth, Australia.

Unlike the Americans who went there in the hope of recovering the America's Cup, the bridge players will be seeking to extend a string of seven Bermuda Bowl victories.

The Australians, who have often done well in world events, are likely to make a strong showing when the world championships go down under the first time.

Their leading player-writer is Ron Kluger, who ooted the diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

diagrammed deal in the 1986 Australian Open Team Championship. Looking at all four hands, would you choose to play or defend a contract of six hearts?

A diamond or spade lead gives South an easy time but lumps it better, removing dummy's only entry. But after taking the heart king, South can still prevail by ruffing out the diamond ace and making the right play in clubs. The ace, the queen or the club?

With the actual layout, the ace fails and the queen of four succeeds. Against weak opponents, the ace followed by the queen is right, but against stronger ones the queen is slightly better, you can expect a defender who has the spade king and the doubler club king to unblock his club king under

DENNIS THE MENACE



"BOY, IT MUST TAKE A LOT OF LUMBER TO MAKE A TREE THAT BIG!"

JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.



ANSWER: HIGEW: HIGHER; DEUXE: DEUCE; VESSUR: VESSER; FONZER: FONZER.

WHY SHE LIKED ALWAYS BROUGHT STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

ANSWER: SHE LIKED STALE BREAD.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, July 6

Table with columns for Amsterdam, London, Frankfurt, Zurich, Tokyo, Sao Paulo, Madrid, Milan, Hong Kong, Singapore, Seoul, Taipei, Manila, Jakarta, Kuala Lumpur, Singapore, and various indices like Nikkei, Hang Seng, etc.

Table with columns for Sydney, Zurich, Toronto, Tokyo, Sao Paulo, Madrid, Milan, Hong Kong, Singapore, Seoul, Taipei, Manila, Jakarta, Kuala Lumpur, Singapore, and various indices like Nikkei, Hang Seng, etc.

Table with columns for Toronto, Tokyo, Sao Paulo, Madrid, Milan, Hong Kong, Singapore, Seoul, Taipei, Manila, Jakarta, Kuala Lumpur, Singapore, and various indices like Nikkei, Hang Seng, etc.

Game I

When there are four players, the game is played in two teams of two. The first team to score three goals wins the game. If the score is tied at the end of the game, a penalty shoot-out is held.

Table with columns for American League, National League, and various teams like Boston, New York, etc.

Table with columns for American League, National League, and various teams like Boston, New York, etc.

Table with columns for American League, National League, and various teams like Boston, New York, etc.



BRIEFS

Plan to Broaden

With the North... Roh Tae Woo, in a speech...

5 More Justices

(NYT) — The government of the suspended five Supreme Court justices...

Arms Pact Proposed

General Manfred Wörner of NATO...

Lin Southern Europe

At least six persons have died from the heat in southern Europe...

ged by Taiwan Party

Teng-hui welcomed delegates...

g in a Namibian Ship

Africa (AP) — One black man was killed...

EL UPDATE

air traffic congestion, which is...

igation May Worsen

air traffic congestion, which is...

lash With Armenians

investors and politicians...

Game Lost in the Market

International Herald Tribune

LONDON — When market franchises and every now and then...

ROB HUGHES

pleased merely at brushing shoulders with the moiled elite...



Jacques Georges

... And we have to fight it.

Ron Noades, chairman of Second Division Crystal Palace...

Browning, Back in Top Form, Stifles Mets on 3 Hits

Compiled by Our Staff From Dispatches

NEW YORK — Tom Browning views his demotion to the minor leagues last season as the key to his success this season.

said of his stint in the minors in June and July. "But it made me a heckuva better pitcher. I learned what it takes to stay in the major leagues. It's something that will stay with me my whole career."

BASEBALL ROUNDUP
said of Browning. "He came at us and threw strikes."

Expos 4, Astros 3: In Houston, Luis Rivera tripled home Tom Foley with one out in the 11th to lift

the Expos, who blew a two-run lead in the ninth inning. The Astros have lost seven of eight games...

Ever New, Baseball Rewards Its Faithful

By Thomas Boswell

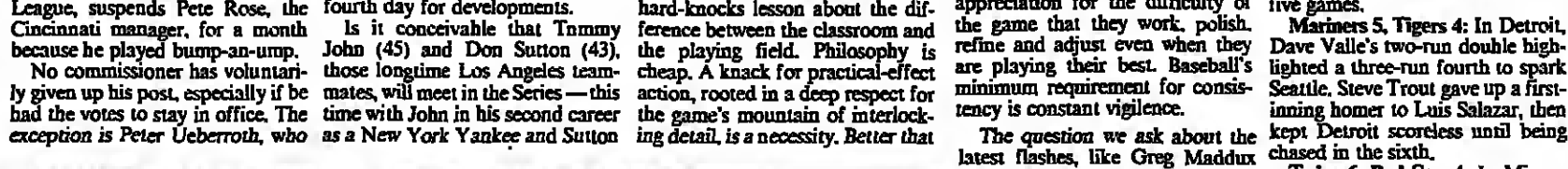
WASHINGTON — At the beginning of the movie "Bull Durham," Annie explains that she has tried most of the world's major religions...

announced his retirement in June 18 months early, just so people would believe him.

going around again as a Dodger? Almost weekly, we are reminded that the game has a sense of pace and proportion that any director would envy.

Giamatti fumble now than in 1990. Perhaps best of all so far this season — although with baseball you always hate to say "best of all" — is that the game remains ridiculously unpredictable.

Twins 6, Red Sox 4: In Minneapolis, Gary Gaetti hit a three-run homer off Lee Smith in the eighth inning...



Lungies, a sense of pace and proportion, and evidence that hyperbole rarely works except in reality.

SCOREBOARD

BASEBALL

Tuesday's Major League Line Scores

Table with columns for American League and National League, listing teams and scores.

Major League Standings

Table showing league standings for American and National Leagues.

TRANSITION

Table listing baseball players and their new teams.

Boxing Rings, Wedding Rings: A Cycle Unbroken

Washington Post Service

WASHINGTON — The place was Atlantic City, New Jersey. He was training for the big fight...

VANTAGE POINT/Shirley Povich

are still much in love, bless them. But Gilbert & Sullivan would have noted that often the lot of the heavyweight champion is not a happy one.

Robbin and Mike, Atlantic City, 1988? No, Estelle and Jack Dempsey, Atlantic City, 1926.

So staggering are the parallels they almost forbid belief.

Willard in 1919 — Dempsey earned \$25,000. In the last year, Tyson's bonus of the month has been getting \$1 million-plus...

Tunney then went mute: He asked promoter Tex Rickard to take his personal check for \$10,000 and, in return, give him a check for a flat \$1 million...

DESSERT SAILING — Hot air balloons over the Negev in Israel on Wednesday at the start of a three-day competition.



DESSERT SAILING — Hot air balloons over the Negev in Israel on Wednesday at the start of a three-day competition.



ART BUCHWALD

A Lawyer's Field Day

WASHINGTON — I was almost run over by a Maserati the other day. The driver was a friend we all call "Louie the Lawyer."



Buchwald

Some Alligator Stew, Or Perhaps a Sandwich

COLUMBIA, South Carolina — Alligators are turning up in steaks and dips, between hamburger buns and on top of pasta salads here.

"How can you be sure that you will get paid?" "We have to assume that all the clients who are pleading innocent have put away enough money from their activities to ensure that their lawyers' fees will be covered in case they're caught."

"Well, at least you have enough work to keep busy," Louie said. "I thought 1987 was a lousy year for lawyers, but this summer is going to break all records. We've doubled our office space and because of the number of indictments our lawyers have agreed to make house calls."

Finally, a Statue of Dreyfus

By Barry James

PARIS — Ramrod straight like the soldier represents, the statue in honor of Alfred Dreyfus stands with saber-pommel held stiffly under uplifted chin. The blade, shattered a few inches beyond the hilt, movingly tells the story of Dreyfus's shame.



Statue of Alfred Dreyfus in the Tuileries.

The statue, according to its creator, Louis Milberg, is the first of its kind in France, where the story of Dreyfus — a Jewish army captain disgraced as a German spy on false evidence and later rehabilitated — still causes political discomfort.

Milberg, who was born in Poland in 1919, first heard about Dreyfus from his father in Warsaw. He came to Paris to study architecture at the age of 17, was mobilized in World War II, captured and sent to a German prisoner-of-war camp.

PEOPLE

A Soviet Art Auction

The international auction of officially approved Soviet artwork, scheduled for Thursday, drew criticism over the exporting of valuable paintings and because the Soviet public is barred. A Soviet journalist asked Pavel Kharashvili, director of the Culture Ministry's export branch, whether the artwork had "no value as national art" if it was to be allowed to leave for the West without restriction.

The one-ton bronze statue, in Tim's characteristic semi-abstract style, stands nearly 3 1/2 meters (10 feet) tall in the middle of a grove of trees. Eventually, he said, he would like to surround it with busts representing the men who came to Dreyfus's defense and played a vital role in rehabilitating him — Jean Jaures, Georges Clemenceau and Emile Zola, whose famous "J'Accuse" earned him a one-year jail sentence for libel.

The Dreyfus affair deeply divided all of France and raised issues of rationalism and tolerance the echoes of which still persist. Ranged against Dreyfus were the right, the anti-Semites, various patriotic organizations, and those who believed the higher interests of the nation came before the interests of any individual.

For him stood the League for the Rights of Man founded in response to Zola's appeal and many of the most prominent liberal thinkers in society and even in the army. The events of those years will be recalled again next year with the inauguration of a Foundation for the Rights of Man to mark the 20th anniversary of the start of the Revolution.

Ever since the French Revolution, there have been two parallel trends in French society keeping a vigilant watch on one another," said Milberg. "There are still people today who oppose the revolution who without the revolution wouldn't be able to read and write."

Milberg, who was born in Poland in 1919, first heard about Dreyfus from his father in Warsaw. He came to Paris to study architecture at the age of 17, was mobilized in World War II, captured and sent to a German prisoner-of-war camp.

Vertical sidebar on the right side of the page containing various small advertisements, including real estate listings and business notices.

ANNOUNCEMENTS

TO OUR READERS (WINDING) THE U.S.A. THE IHT IS NOW AVAILABLE IN KEY U.S. CITIES ON DATE OF ISSUE

A WORLD OF JOB OPPORTUNITIES AWAITS YOU INSIDE TODAY'S PAGE 11

READ OUR INTERNATIONAL POSITIONS ANNOUNCEMENTS

NICE 88 JVC Grande Parade Du Jazz JULY 9-19

FEELING LOW? - solving problems? SOU HELP provides in English 3-part...

MOVING VAN LINES INTERNATIONAL worldwide moving

PARIS DESBORDES I.A.S. AMERTRANS LONDON BOLINGER TRANSPORT NICE

FOUR WINDS INTERNATIONAL MOVING BY THE LARGEST WORLDWIDE MOVER

HOLIDAYS & TRAVEL AMERICAN MAN, 40 years, who will be taking on a 60 day sailing cruise...

TOTAL NATURAL IMMERSION IN FRENCH? CALL CIELE

EXECUTIVES AVAILABLE ENGLISH LADY, 23, good knowledge of French, Italian and Spanish...

GENERAL POSITIONS AVAILABLE COMPUTER MANUFACTURER seeks URGENTLY 2 COMPUTER EDITORS

INTERNATIONAL POSITIONS Large number of positions of the high salary...

REGENT PARISIAN LADY (42) excellent appearance, good education...

EXPERIENCED MANAGER NEEDED Challenging position, 8h work week, 28-30k...

RECEPTIONIST WANTED for luxury residential hotel. Young woman with perfect receptionist skills...

AMERICAN WOMAN, DEGREE, 33, excellent appearance, good education...

EMPLOYMENT

EXECUTIVES AVAILABLE

ENGLISH LADY, 23, good knowledge of French, Italian and Spanish...

EXECUTIVE RIGHT STWARD/ chef, 15 yrs experience with Boeing + Gulfstream Aircraft...

AMERICAN Executive seeks employment in U.S.A. Call in person...

GENERAL POSITIONS AVAILABLE COMPUTER MANUFACTURER seeks URGENTLY 2 COMPUTER EDITORS

INTERNATIONAL POSITIONS Large number of positions of the high salary...

REGENT PARISIAN LADY (42) excellent appearance, good education...

EXPERIENCED MANAGER NEEDED Challenging position, 8h work week, 28-30k...

RECEPTIONIST WANTED for luxury residential hotel. Young woman with perfect receptionist skills...

AMERICAN WOMAN, DEGREE, 33, excellent appearance, good education...

EMPLOYMENT

GENERAL POSITIONS WANTED

YOUNG, MULTILINGUAL American employed by U.S. senior sales desk, seeking position in Europe...

ENGLISH resident near Nice, French speaking, willing to accept work with international company...

COMPARISON-HOUSE MANAGER, French, English, speaks Spanish, responsible, relocate country...

FRENCH ENGLISH TRANSLATOR seeks appropriate knowledge of technical procedures...

SECRETARIAL POSITIONS AVAILABLE SOUTH OF FRANCE / CANNES, American or British, multilingual, seeking position in France...

MINERVE seeks for AMERICAN FRWMS in PARIS, English, Belgian, excellent qualifications...

GOOD NATURED lively young person unattached & fit to travel, London based...

EMPLOYMENT

SECRETARIAL POSITIONS AVAILABLE

PARIS MAGAZINE SEERKS part time bilingual subscriptions secretary, bookkeeper, Bca 2976, Herold Inc, 9221 Neully Cedex, France.

EXPERIENCED ENGLISH speaking secretary (Paris) fluent French & Spanish, Word processing knowledge...

SECRETARY/INTERPRETER, German, French, English, seeks position in international company, Paris office...

HAND CRAFTED DINING furniture from Brittany, 1870, imported, complete sets, new or used, contact Herold Inc...

EDUCATIONAL POSITIONS AVAILABLE SOUTH OF FRANCE / CANNES, American or British, multilingual, seeking position in France...

MINERVE seeks for AMERICAN FRWMS in PARIS, English, Belgian, excellent qualifications...

GOOD NATURED lively young person unattached & fit to travel, London based...

INTERNATIONAL BUSINESS MESSAGE CENTER

ATTENTION EXECUTIVES who are looking for a new challenge in the International Herald Tribune...

EMPLOYMENT

DOMESTIC POSITIONS AVAILABLE

SUPER NANNY FOR BRUSSELS, 7 & 1/2 hrs a week, fluent English, good cooking skills...

SEBING PART-TIME COUPLE, Housekeeper & Part-time Gardener, Salary for 1st couple, 11h/week, 116 Avenue de la Liberté, 49000 Oisilly, France...

AUTO RENTALS PARIS ALL INCLUSIVE PRICES Ford Fiesta 1985/2 year, Ford Escort 1920/2 year, Ford Sierra 1930/2 year...

NOTHING MORE TO PAY Rates include all taxes, insurance, collision damage, wear & tear...

U.S. DIVORCE IN 21 DAYS. No need to travel, with or without court order...

GUAM USA DIVORCE Fast, no travel, free, Free, Attorney Dan Forstner, Box 8K Agaña, Guam, PO Box 1111, Managahan, 96901, D-96901...

NEAR CANNES, BEAUTIFUL VILLA, 600 sq. m., 8 bedrooms with bath, swimming pool, tennis court, 14 km. from Cannes, view of sea & Esterel mountains...

HOLIDAYS & TRAVEL NEAR CANNES, BEAUTIFUL VILLA, 600 sq. m., 8 bedrooms with bath, swimming pool, tennis court, 14 km. from Cannes, view of sea & Esterel mountains...

AUTOS TAX FREE FOR MORE THAN 13 YEARS EUROPE'S LARGEST SHOWROOM TRANSOCO

EMPLOYMENT

SECRETARIAL POSITIONS AVAILABLE

PARIS MAGAZINE SEERKS part time bilingual subscriptions secretary, bookkeeper, Bca 2976, Herold Inc, 9221 Neully Cedex, France.

EXPERIENCED ENGLISH speaking secretary (Paris) fluent French & Spanish, Word processing knowledge...

SECRETARY/INTERPRETER, German, French, English, seeks position in international company, Paris office...

HAND CRAFTED DINING furniture from Brittany, 1870, imported, complete sets, new or used, contact Herold Inc...

EDUCATIONAL POSITIONS AVAILABLE SOUTH OF FRANCE / CANNES, American or British, multilingual, seeking position in France...

MINERVE seeks for AMERICAN FRWMS in PARIS, English, Belgian, excellent qualifications...

GOOD NATURED lively young person unattached & fit to travel, London based...

INTERNATIONAL BUSINESS MESSAGE CENTER

ATTENTION EXECUTIVES who are looking for a new challenge in the International Herald Tribune...

EMPLOYMENT

AUTOS TAX FREE

FOR MORE THAN 13 YEARS EUROPE'S LARGEST SHOWROOM TRANSOCO

U.S. DIVORCE IN 21 DAYS. No need to travel, with or without court order...

GUAM USA DIVORCE Fast, no travel, free, Free, Attorney Dan Forstner, Box 8K Agaña, Guam, PO Box 1111, Managahan, 96901, D-96901...

NEAR CANNES, BEAUTIFUL VILLA, 600 sq. m., 8 bedrooms with bath, swimming pool, tennis court, 14 km. from Cannes, view of sea & Esterel mountains...

HOLIDAYS & TRAVEL NEAR CANNES, BEAUTIFUL VILLA, 600 sq. m., 8 bedrooms with bath, swimming pool, tennis court, 14 km. from Cannes, view of sea & Esterel mountains...

AUTOS TAX FREE FOR MORE THAN 13 YEARS EUROPE'S LARGEST SHOWROOM TRANSOCO

U.S. DIVORCE IN 21 DAYS. No need to travel, with or without court order...

GUAM USA DIVORCE Fast, no travel, free, Free, Attorney Dan Forstner, Box 8K Agaña, Guam, PO Box 1111, Managahan, 96901, D-96901...

NEAR CANNES, BEAUTIFUL VILLA, 600 sq. m., 8 bedrooms with bath, swimming pool, tennis court, 14 km. from Cannes, view of sea & Esterel mountains...

REAL ESTATE FOR SALE

FRENCH PROVINCES

MOUGINS, superb modern villa, 340 sq. m., large garden, pool, 4 bedrooms, 5,500,000, garden pool, 4 bedrooms, 5,500,000, garden pool, 4 bedrooms...

PARIS & SUBURBS PARIS: ETOILE lovely apartment, 4 bedrooms, 2 bathrooms, 3,500,000, garden pool, 4 bedrooms...

PARIS & SUBURBS LAKESIDE & MOUNTAIN RESORTS Four properties on own grounds, 2500 sq. m., 2 bedrooms, 2 bathrooms, 3,500,000...

NEUILLY - BARRIS Owner sells, 70 sq. m., 2 bedrooms, 2 bathrooms, 1,500,000, garden pool, 4 bedrooms...

200 Mts TROCADERO 2 room, 50 sq. m., impeccable luxury, 2,000,000, garden pool, 4 bedrooms...

PALAIS ROYAL 2 room, 50 sq. m., impeccable luxury, 2,000,000, garden pool, 4 bedrooms...

FORUM DES HALLES 2 room, 50 sq. m., impeccable luxury, 2,000,000, garden pool, 4 bedrooms...

NATION, MODERN STYLE, large 4 room, 100 sq. m., 4 bedrooms, 2 bathrooms, 2,500,000, garden pool, 4 bedrooms...

HEAD OFFICE PARIS: (Fr classified only) 1) 42.73.92.85 EUROPE Amsterdam: 26-36-15...

REAL ESTATE FOR SALE

PARIS & SUBURBS

PARIS: ETOILE lovely apartment, 4 bedrooms, 2 bathrooms, 3,500,000, garden pool, 4 bedrooms...

PARIS & SUBURBS LAKESIDE & MOUNTAIN RESORTS Four properties on own grounds, 2500 sq. m., 2 bedrooms, 2 bathrooms, 3,500,000...

NEUILLY - BARRIS Owner sells, 70 sq. m., 2 bedrooms, 2 bathrooms, 1,500,000, garden pool, 4 bedrooms...

200 Mts TROCADERO 2 room, 50 sq. m., impeccable luxury, 2,000,000, garden pool, 4 bedrooms...

PALAIS ROYAL 2 room, 50 sq. m., impeccable luxury, 2,000,000, garden pool, 4 bedrooms...

FORUM DES HALLES 2 room, 50 sq. m., impeccable luxury, 2,000,000, garden pool, 4 bedrooms...

NATION, MODERN STYLE, large 4 room, 100 sq. m., 4 bedrooms, 2 bathrooms, 2,500,000, garden pool, 4 bedrooms...

HEAD OFFICE PARIS: (Fr classified only) 1) 42.73.92.85 EUROPE Amsterdam: 26-36-15...

HEAD OFFICE PARIS: (Fr classified only) 1) 42.73.92.85 EUROPE Amsterdam: 26-36-15...